

**AGENDA
CRAVEN COUNTY BOARD OF COMMISSIONERS
REGULAR SESSION
MONDAY, SEPTEMBER 15, 2014
8:30 A.M.**

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

APPROVE MINUTES OF SEPTEMBER 2, 2014 REGULAR SESSION

1. CIESZKO WATER SYSTEM: Ned Cieszko, System Owner
2. WATER PROCESSING PLANT BID AWARD: Rusty Hayes, Water Superintendent and Chris Windley, McKim & Creed
3. WATER CONTRACT AMENDMENT AND BUDGET AMENDMENT: Rick Hemphill, Assistant County Manager – Finance/Administration and Chris Windley, Mckim & Creed
4. WATER LINE EXTENSION FOR OLD US 70 WEST BID AWARD RECOMMENDATION: Rusty Hayes
5. COAL ASH REPORT: Millie Chalk, Duke Energy
6. ACT CONTRACTS: Jack Veit, County Manager
7. PROCLAMATION RECOGNIZING YOUNG MARINES
8. SALE OF HOME HEALTH AGENCY: Jim Hicks, County Attorney

DEPARTMENTAL MATTERS

9. TAX – RELEASES AND REFUNDS: Ronnie Antry, Tax Administrator
10. HEALTH – Budget Amendment: Ray Silverthorne, Environmental Health Director

11. RECREATION – BUDGET AMENDMENT: Eddie Games, Recreation Director
12. SOCIAL SERVICES – BUDGET AMENDMENTS: Alfreda Stout, Assistant Social Services Director
13. CARTS – REQUEST TO SET PUBLIC HEARING: Roseann Christian, CARTS Director
14. PLANNING – ROAD CLOSURE REQUEST: Reed Smith, NCDOT District Engineer
15. APPOINTMENTS
16. COUNTY ATTORNEY’S REPORT: Jim Hicks
17. COUNTY MANAGER’S REPORT: Jack Veit
18. COMMISSIONERS’ REPORTS
19. CLOSED SESSION

Agenda Date: September 15, 2014

Presenter: Ned Cieszko

Agenda Item No. 1

Board Action Required: No

CIESZKO WATER SYSTEM

Mr. Ned Cieszko would like to address the Board regarding the Craven County Water System taking over a water system he owns in a subdivision off of Greenfield Height's Blvd. Mr. Cieszko's water system is currently being served by a master meter and through a bulk purchase agreement with the City of Havelock.

Board Action: Receive information and consider further action.

Agenda Date: September 15, 2014

Presenter: Rusty Hayes and Chris Windley

Agenda Item No. 2

Board Action Required: Yes

WATER PROCESSING PLANT BID AWARD

Based on the Board's decision to re-bid the Water Processing Plant project, bids were received and opened on September 4. Attachment #2 contains the recommendation for the bid award as well as the official bid tabulation.

Board Action: Consider recommendation for approval.

Agenda Date: September 15, 2014

Presenters: Rick Hemphill and Chris Windley

Agenda Item No. 3

Board Action Required: Yes

WATER CONTRACT AMENDMENT AND BUDGET AMENDMENT

Rick Hemphill, Assistant County Manager – Finance/Administration and Chris Windley of McKim & Creed will present a budget amendment, contained in Attachment #3, required to the original contract for items which the County had not decided how to administer originally, such as the SCADA system and special inspections. The decision has been made to contract with McKim and Creed to handle these items. This amendment in the amount of \$247,200 accounts for adding these items to their contract.

Board Action: A roll call vote will be needed to approve the budget amendment.

Agenda Date: September 15, 2014

Presenter: Rusty Hayes

Agenda Item No. 4

Board Action Required: Yes

WATER LINE EXTENSION FOR OLD US 70 WEST BID AWARD RECOMMENDATION

On September 12, 2014 at 10:00 a.m. the Craven County Water Department received informal bids for the extension of a new waterline to serve customers that currently do not have access to the County water system. Two bids were received from the following contractors: James L. Cayton Utilities, Inc. in the amount of \$72,760 and the second from Herring-Rivenbark Inc. in the amount of \$63,500 (Attachment #4). This project was budgeted in 2014-15 at an estimated cost of \$82,700. Although there will be some additional engineering cost involved with the completion of the project, it will be well below the estimate. The County has worked with both of these contractors in the past and they are both very reputable companies.

It is the recommendation of staff to award the project to the low bidder, Herring-Rivenbark, Inc. in the amount of \$63,500.

Board Action: Consider recommendation for approval.

Agenda Date: September 15, 2014

Presenter: Millie Chalk

Agenda Item No. 5

Board Action Required: No

COAL ASH REPORT

Based on a request by Commissioner McCabe, Millie Chalk of Duke Energy will present information concerning coal ash. You will find in Attachment #5 correspondence and other materials related to this request.

Board Action: Receive information

Agenda Date: September 15, 2014

Presenter: Jack Veit

Agenda Item No. 6

Board Action Required: Yes

ACT CONTRACTS

At the Board's last meeting ACT contracts were removed from the agenda and deferred until this meeting. The documents appear as Attachment #6.

Board Action: Consider approval of contracts.

Agenda Date: September 15, 2014

Presenter: _____

Agenda Item No. 7

Board Action Required: Yes

PROCLAMATION RECOGNIZING YOUNG MARINES

The Board has been requested by the Cherry Point Young Marines to observe the last week of October as Red Ribbon Week. This was also done in 2013, and recognizes the contributions by the Young Marines to the war on illegal drugs. The proclamation appears as Attachment #7.

Board Action: Consider adoption of proclamation.

Agenda Date: September 15, 2014

Presenter: Jim Hicks

Agenda Item No. 8

Board Action Required: Yes

SALE OF HOME HEALTH AGENCY

The County has completed the statutory process for the proposed sale of the Craven County Home Health Agency to PruittHealth Home Health, Inc. The Board will need to execute the proposed Resolution and Asset Purchase Agreement, contained in Attachment #8. The tentative closing date is September 30, 2014.

The documents provide that the County will sell its home health agency assets for the sum of \$850,000.00. As the County's current license is for both home health and hospice combined, the County is in the process of separating each service into separate licenses. Thereafter, the license for Home Health only would be sold to PruittHealth, and the County would retain the license for Hospice. The application for separating the license, and the request to the Certificate of Need Section for an exemption of the sale, have been submitted to the appropriate State agencies.

The Asset Purchase Agreement also contemplates a period of transition, until such time as all state and federal requirements and permissions have been obtained. This will require the County to receive, and then transfer, future collections by PruittHealth, and will require the County to lease an office to PruittHealth; both on a short-term basis, estimated to be approximately six months.

Board Action: Adoption of Asset Purchase Agreement and associated documents contained in Attachment #8.

Agenda Date: September 15, 2014

Presenter: Ronnie Antry

Agenda Item No. 9

Board Action Required: Yes

DEPARTMENTAL MATTERS: TAX – RELEASES AND REFUNDS

Craven County Tax Administrator, Ronnie Antry, will present the routine requests for tax releases and refunds contained in Attachment #9 for the Board's approval.

Board Action: A roll call vote is needed to approve releases and refunds.

Agenda Date: September 15, 2014

Presenter: Ray Silverthorne

Agenda Item No. 10

Board Action Required: Yes

DEPARTMENTAL MATTERS: HEALTH – BUDGET AMENDMENT

Environmental Health Director, Ray Silverthorne, will present the budget amendment contained in Attachment #10.

Board Action: A roll call vote is needed to approve budget amendment.

Agenda Date: September 15, 2014

Presenter: Eddie Games

Agenda Item No. 11

Board Action Required: Yes

DEPARTMENTAL MATTERS: RECREATION – BUDGET AMENDMENT

Recreation & Parks Director, Eddie Games, will address the Board regarding a budget amendment for a grant received from the NC Community Foundation for additional outdoor fitness equipment. The department applied for this grant in May and received a \$3,000 check last month. These funds will be used to complete this project which will total just over \$23,000. Other funding for this project was received from the Craven County Health Department (\$10,341), Craven County Health Foundation (\$5,000) and the Harold H. Bate Foundation (\$5,000). This equipment will be installed at Creekside Park close to the Walking Trail shelter and should be in place and ready to be used later this month.

Attachment #11 contains a copy of the check plus a diagram of what the equipment looks like.

Board Action: A roll call vote is needed to approve budget amendment.

Agenda Date: September 15, 2014

Presenter: Alfreda Stout

Agenda Item No. 12

Board Action Required: Yes

DEPARTMENTAL MATTERS: SOCIAL SERVICES – BUDGET AMENDMENTS

Assistant Social Services, Director, Alfreda Stout, will present the budget amendments contained in Attachment #12.

Board Action: A roll call vote is needed to approve budget amendments.

Agenda Date: September 15, 2014

Presenter: Roesann Christian

Agenda Item No. 13

Board Action Required: Yes

DEPARTMENTAL MATTERS: CARTS – REQUEST TO SET PUBLIC HEARING

Rosann Christian, CARTS Director, will be requesting a public hearing for October 6, 2014. This public hearing is required as part of the process to apply for FY2015 ROAP funding. (See Attachment #13)

Board Action: Set public hearing, as requested.

Agenda Date: September 15, 2014

Presenter: Don Baumgardner

Agenda Item No. 14

Board Action Required: Yes

DEPARTMENTAL MATTERS: PLANNING – ROAD CLOSURE REQUEST

The North Carolina Department of Transportation is requesting that a portion of Brick Kiln Road (SR1635) which lies between Norfolk Southern Railroad and the Old Brick Road outside of Vanceboro be closed. Joseph Midgette of 355 Old Brick Road Vanceboro desires to take control of the abandoned right-of-way. (See Attachment #14)

No public hearing is required for this road closure.

Board Action: A vote by the Board of Commissioners is needed to approve the Road Abandonment Resolution which will be forwarded to the NCDOT.

Agenda Date: September 15, 2014

Presenter: _____

Agenda Item No. 15

Board Action Required: Yes

APPOINTMENTS

- A. PENDING
- B. CURRENT
- C. UPCOMING

Board Action: Appointments will be effective immediately unless otherwise specified.

A. PENDING APPOINTMENT(S):

HAVELOCK BOARD OF ADJUSTMENT

AUTHORIZATION: Havelock City Code – Article XI

MISSION/FUNCTION: _____

NUMBER OF MEMBERS: _____

7

1

1

TYPE:

City of Havelock

Extraterritorial Jurisdiction (County)

Extraterritorial alternate (County)

QUALIFICATIONS (Special Skills, Professional Classifications, Affiliations, Limitations, etc.):

County appointees must reside in the extraterritorial areas of the City of Havelock.

LENGTH OF TERMS: 3 Years

MEETING SCHEDULE: 3rd Wednesday of the month at 7:30 p.m., and at the call of the Chair

Terms ending: Nancy Webster, Alt. (Appointed 2009; resigned)

No applications on file. (The City of Havelock has not received any interest from citizens, but still working on it.)

EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL

AUTHORIZATION: _____

MISSION/FUNCTION: Functions as a technical committee of the Board of Commissioners to develop and recommend for approval by the Board of Commissioners standards of care, policies, procedures and actions which will maintain and improve the quality of Emergency Medical Services for Craven County residents.

NUMBER OF MEMBERS:

28

TYPE:

QUALIFICATIONS (Special Skills, Professional Classifications, Affiliations, Limitations, etc.):

1) Craven County Manager, or designee; 2) Director of Emergency Services; 3) representative from each EMS provider; 4) representative from each authorized First Responder provider;

5) hospital president or designee; 6) County Medical Director; 7) physician nominated by Craven County Medical Society; 8) representative from Communications division; 9) representative nominated by Craven County Firemen’s Association; 10) hospital emergency room supervisor; 11) non-provider affiliated citizen; 12) Community College Dean of Continuing Education;

13) representative nominated by Craven County Law Enforcement Association;

14) representative from Naval Hospital at Cherry Point;; 15) ad hoc members to include Eastern Carolina Council of Governments, EMS Director, NC Office of Emergency Medical Services, and Executive Director of the American Red Cross

LENGTH OF TERMS: 2 Years

MEETING SCHEDULE: Bi-monthly

COMPENSATION: No X Yes Specify: _____

Terms ending:

Joe Hoffman, Craven County Law Enforcement Association (Will submit name)

No applications on file.

NURSING HOME ADVISORY COMMITTEE

AUTHORIZATION: N.C.G.S.131E-115

MISSION/FUNCTION: Work to maintain the intent of the Nursing Home Patients Bill of Rights within the licensed homes in the County; to promote community involvement and cooperation with domiciliary homes to ensure quality care for the elderly.

NUMBER OF MEMBERS:

7-12

TYPE:

Dictated by the number of homes in the county; homes have right to recommend 25% of appointees

QUALIFICATIONS (Special Skills, Professional Classifications, Affiliations, Limitations, etc.):

Cannot be employed by or have a relative in an adult care home.

LENGTH OF TERMS: 3 Years

MEETING SCHEDULE: Quarterly, beginning in March, third Wednesday, 10:00 a.m.

COMPENSATION: No Yes Specify: _____

Term(s) ending: Britt Bendy (Resigned)

No applications on file.

B. CURRENT APPOINTMENTS

AGRICULTURAL ADVISORY COMMITTEE

AUTHORIZATION: Local Ordinance

MISSION/FUNCTION: Administer provision of the Craven County Voluntary Agricultural District Ordinance and perform other agricultural related tasks or duties assigned by the Craven Count Board of Commissioners.

NUMBER OF MEMBERS:

9

TYPE:

(See qualifications)

QUALIFICATIONS (Special Skills, Professional Classifications, Affiliations, Limitations, etc.):
1) resident of area Township representing; 2) agricultural landowner; 3) actively and directly involved in agricultural production on at least 10 acres of farmland 4) special interest, experience, or education in agriculture and/or rural land preservation

LENGTH OF TERMS: 3 Years

MEETING SCHEDULE: At the call of the Chairperson

COMPENSATION: No Yes Specify: _____

Term ending: Johnny Pritchard (Appointed 2011)

Application(s) on file: Larry Paul (See Attachment # 15)

C. UPCOMING APPOINTMENTS

October

Clean Sweep Committee

Joan Campbell (Appointed 2011)

Pat Sager (Appointed 2008)

Firemen's Relief Fund Board of Trustees

Felix Croom, Ft. Barnwell (Appointed 2008)

Aaron McLawhorn, Rhems (Appointed 2012)

Dred Mitchell, Cove City (Appointed 2006)

Fire Tax Commissioners

William Laughinghouse, No. 7 (Appointed 2002)

Rolf Maris, Twp. 1 (Appointed 2012)

Aaron McLawhorn, Rhems (Appointed 2012)

Joseph Midgette, Twp. 1 (Appointed 2012)

Industrial Facilities Pollution Control Financing Authority

Fletcher Watts (Appointed 1996)

November None

Agenda Date: September 15, 2014

Presenter: Jim Hicks

Agenda Item No. 16

COUNTY ATTORNEY'S REPORT

Agenda Date: September 15, 2014

Presenter: Jack Veit

Agenda Item No. 17

COUNTY MANAGER'S REPORT

Agenda Date: September 15, 2014

Presenter: _____

Agenda Item No. 18

COMMISSIONERS' REPORTS

Agenda Date: September 15, 2014

Presenter: _____

Agenda Item No. 19

CLOSED SESSION

The Board will be requested to go into closed session on a personnel matter, pursuant to N.C.G.S. 143-318.11(a)(6) and to plan, conduct or hear reports concerning investigations of alleged criminal misconduct, pursuant to N.C.G.S. 143-318.11(a)(7).

REC'D SEP 09 2014



ENGINEERS
SURVEYORS
PLANNERS

September 8, 2014

M&C 01082-0028 (54)

Mr. Jack B. Veit, III
Craven County Manager
406 Craven Street
New Bern, NC 28560

RE: Craven County Potable Water Supply and Treatment Facilities – Phase 1
Recommendation of Award

Dear Mr. Veit:

The County received bids on August 12, 2014 for the referenced project which includes the proposed Water Treatment Plant (WTP), Raw Water Wells and Transmission Lines, Concentrate Force Main and Finished Water Main. The County Board of Commissioners rejected all received bids at the August 18, 2014 Board Meeting. The project was rebid and a second bid opening was conducted on Thursday, September 4, 2014 at 2:00 p.m. at which time Craven County received four (4) bids. The bids submittals included pricing for the following;

Base Bid – construction of an initial 2.0 MGD WTP, five (5) raw water wells and associated raw water transmission mains, the finished water main, and the concentrate force main and diffuser.

Add Alternate No. 1 – construction of one (1) additional raw water well at the proposed WTP site and the associated raw water line.

Add Alternate No. 2 – construction of additional membrane treatment system equipment and appurtenances to increase the initial treatment capacity of the WTP to 3.0 MGD, two (2) additional raw water wells and the associated raw water mains.

Deduct Alternate No. 1 - For reducing the size of the WTP site generator from 1500 KW to 1250 KW as indicated in Addendum No. 6.

Deduct Alternate No. 2 - For modifying the WTP site paving to a gravel surface as indicated in Addendum No. 6.

Deduct Alternate No. 3 - For changing the 24" gate valves to 24" butterfly valves in manholes as indicated in Addendum No. 6.

Venture IV Building
Suite 500
1730 Varsity Drive
Raleigh, NC 27606

919.233.8091

Fax 919.233.8031

www.mckimcreed.com

Four (4) bids were received and opened. The advertisement and bidding procedures were consistent with statutory requirements and the requirements of the DWSRF funding to the best of our knowledge. McKim & Creed has reviewed the bids and corrected math errors to determine the final bid results. A summary tabulation of the bids received is enclosed. The low bid received, with math errors corrected, was from Shook Construction of Apex, NC, (License # 21618) in the following amounts:

| | |
|------------------------|-----------------|
| Base Bid | \$22,766,590.00 |
| Add Alternate No. 1 | \$377,000.00 |
| Add Alternate No. 2 | \$1,624,795.00 |
| Deduct Alternate No. 1 | (\$5,000.00) |
| Deduct Alternate No. 2 | (\$80,000.00) |
| Deduct Alternate No. 3 | (\$12,000.00) |

The combination of the Base Bid and any or all of the add and deduct alternate bids, as corrected, result in Shook Construction still being the lowest responsive bidder.

The project budget developed for the 3.0 MGD facility is \$25,341,000 including the construction contingency. Shook Construction's bid amount for the 3.0 MGD option (including both add alternates No. 1 & No. 2) with a construction contingency of approximately 5% would be \$26,007,000 resulting in \$666,000 over the project budget.

Shook Construction's base bid (2.0 MGD option) amount with a construction contingency of approximately 5% would be \$23,905,000 compared to the project budget of \$23,206,000.

After discussions with the project team and Craven County staff, the preferred plan would be to proceed with the 3.0 MGD option. It is our understanding that the shortfall of \$666,000 can be offset from funds that the County has been reserving for the project. Based on this, the County would have funding in-place to award the 3.0 MGD option. Additionally, the County staff has indicated a desire to select and award Deduct Alternate Bid No. 3 at a deduct amount of (\$12,000).

Shook Construction is properly licensed and experienced in the type of construction involved. We, therefore, recommend that the County make a tentative award for the Base Bid, Add Alternate Bids No. 1 and No. 2, and

Mr. Jack B. Veit, III
September 8, 2014
Page 2

Deduct Alternate Bid No. 3 in the amount of \$24,756,385, contingent upon approval by the NCDENR Division of Water Infrastructure. The Division of Water Infrastructure will review the bid results and the procedures that are required under the DWSRF guidelines.

Our recommendation is subject to approval from the Division of Water Infrastructure and available funding for the project.

If you have any questions please let me know.

Sincerely,

McKIM & CREED, INC.



Chris Windley, PE
Project Manager

Enclosures

cc: Rusty Hayes, Craven County
Rick Hemphill, Craven County
Chris Windley, PE, McKim & Creed

BID TABULATION
Craven County
POTABLE WATER SUPPLY AND TREATMENT FACILITIES
BID DATE: SEPTEMBER 4, 2014 AT 2:00 PM
MC PROJECT NO. 01082-0028

| BIDDER | LICENSE # | BID BOND | BASE BID | ADD ALT NO. 1 | ADD ALT NO. 2 | DEDUCT ALT NO. 1 | DEDUCT ALT NO. 2 | DEDUCT ALT NO. 3 |
|---------------------------------|-----------|----------|-----------------|---------------|----------------|------------------|------------------|------------------|
| Shook Construction | 21618 | ✓ | \$22,766,590.00 | \$377,000.00 | \$1,624,795.00 | (\$5,000.00) | (\$80,000.00) | (\$12,000.00) |
| English Construction Company | 8786 | ✓ | \$23,258,106.00 | \$292,000.00 | \$1,695,082.00 | (\$8,700.00) | (\$80,000.00) | (\$18,000.00) |
| T.A. Loving Company | 325 | ✓ | \$23,326,722.75 | \$350,000.00 | \$1,597,492.50 | (\$10,000.00) | (\$100,000.00) | (\$10,000.00) |
| State Utility Contractors, Inc. | 17793 | ✓ | \$23,604,708.00 | \$313,000.00 | \$1,576,550.00 | (\$10,000.00) | (\$80,000.00) | (\$18,000.00) |

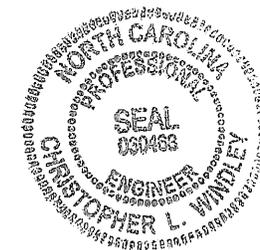
Certified as Correct

Chris Windley

Chris Windley, PE
 Project Manager
 McKim & Creed, Inc.

9-8-2014

Date



REC'D SEP 10 -
 REC'D SEP 10 2014



1730 VARSITY DRIVE, SUITE 500, RALEIGH, NC 27606
 TEL (919) 233-8091 • FAX (919) 233-8031

AUG 05 2014

LETTER OF TRANSMITTAL

ADDRESS: Craven County.
 406 Craven Street
 New Bern, NC 28560

ATTENTION: Mr. Jack Veit

DATE: August 4, 2014

PROJECT #: 01082-0028 TASK: 4/PM

RE: Craven County Water Supply and
 Treatment Facilities

TRANSMITTAL #: PAGE 1 OF 1

WE ARE SENDING: Originals Prints Shop Drawings Samples
 Specifications Calculations Other -

| Quantity | Drawing No. | Rev. | Description | Status |
|----------|-------------|------|-----------------|--------|
| 2 | | | Amendment No. 1 | F, G |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Issue Status Code: A. Preliminary B. Fabrication Only C. For Information D. Bid
 E. Construction F. For Review & Comments G. For Approval H. See Remarks

Action Status Code: 1. No Exceptions Taken 2. Make Corrections Noted 3. Other
 4. Amend & Resubmit 5. Rejected - See Remarks

REMARKS: Please return one executed copy to my attention.

CC: file

McKIM & CREED, INC.

Signed 
 Bryan F. Blake, PE



ENGINEERS

SURVEYORS

PLANNERS

August 4, 2014

141686

Mr. Jack Veit
County Manager
Craven County
406 Craven Street
New Bern, NC 28560

Re: Engineering Services Agreement Amendment No. 1
Craven County Potable Water Supply and Treatment Facilities - Phase 1

Dear Mr. Veit:

McKim & Creed, Inc. (Engineer) is submitting this Amendment No. 1 to amend the contract dated August 6, 2012 to provide for modifications to the project scope.

PROJECT MODIFICATION UNDERSTANDING

As the Craven County Potable Water Supply and Treatment Facilities - Phase 1 project proceeds to the construction phase the following scope modifications have been determined.

- SCADA System Software Implementation Services
- SCADA Software Support Services (After plant startup)
- Special Inspections Services

SCOPE OF WORK

Venture IV Building
1730 Varsity Drive
Raleigh, NC 27606

I. SCADA System Software Implementation Services

Administrative Services:

1. Provide PLC configuration and application software electronic backups (1 copy each on CD) for all McKim & Creed developed software in manufacturer standard file format.

919.233.8091

Fax 919.233.8031

www.mckimcreed.com

2. Provide a software control narrative document for use in training operations staff. The narrative will describe the different control components, the included control schemes, available operator and supervisor setpoints and alarming parameters for the system. An electronic copy will be submitted for County distribution and review with copies provided for training as noted below.

Software Services:

1. Conduct one (1) on-site and two (2) conference call graphic and software design review meetings with the Owner to work out details of the control system and the graphic screen designs. M&C will provide (1) color and (3) black and white copies of preliminary graphic screens as the basis of the discussion for the on-site meeting. Computer graphic screens will be shared for the conference call meetings. The on-site meeting will be conducted at the County's main office conference room.
2. Prepare four copies of an Application Software Design package to include one (1) color and three (3) black and white sets of graphic screens, system database implementation, historical data presentation (trends), PLC application control narratives and original/other equipment manufacturers (OEM) communications database coordination requirements.
3. Prepare and provide PLC Application Software for the following SCADA Control Panels and processes based on the described control platforms and the developed control system functional descriptions:

Allen Bradley CompactLogix

- Raw Water Well Field RTUs
 - Base Bid: LF-1, SP-2, FB-3, FB-4, FB-5
 - Alternate Bid: WTP, FB-2, SP-3
- Brinson Water Tank RTU
- Communications Master PLC (Communications Room PLC-4)

- Plant SCADA Control Panel (PLC-1)
 - Raw Water and Pretreatment
 - Clean-in-Place (CIP)
 - Antiscalant Storage and Pumping

- Sulfuric Acid Storage and Pumping
- Sodium Hypochlorite Storage and Pumping
- Sodium Hydroxide Storage and Pumping
- Orthophosphate Storage and Pumping
- Chlorine Contact Chamber and Transfer Pumping
- Potable Water Storage and Finished Water Pumping
- Concentrate Water Pumping

Note: PLC programming services does not include programming for OEM supplied systems, provided as part of that equipment.

4. Prepare Trihedral VT SCADA HMI Application software, utilizing current software version at the time of programming, including the following components:
 - Provide up to twenty-six (26) base bid (four additional for a total of thirty (30) with the alternate bid) process graphic monitoring and control screens, associated system tag database, system graphic alarming, alarm history recording, application scripting and communications configuration.
 - Provide configuration to the Historian server for the collection of historical data for the plant processes.
 - Provide up to fifteen (15) preconfigured and one (1) configurable trend displays utilizing historical server data.
 - Provide remote alarm notification software configuration for notification of up to twenty-five (25) selected alarms as determined as part of the software design session.

Note: Alternate bid items to include three additional well sites (WTP, FB-2, SP-3) and one additional membrane filter system.

5. Coordinate SCADA system application software with OEM provided control panels for monitoring and/or control from the SCADA system.
6. On completion of the Contractor installation, initial configuration and connection to the SCADA system network, perform loading and configuration of SCADA system packaged and application software on the SCADA system computer hardware.

7. On completion of project construction activities, including delivery of completed and accepted site testing documentation by the Contractor, provide SCADA system PLC and HMI software and control program startup testing services. Work with the Contractor and County to review the SCADA implementation and perform software testing to confirm the operation of individual process components and the system as a whole.

Note: Software startup services and testing are specific to the SCADA system and independent of any other contracted startup services.

8. Provide three (3) one-day sessions of up to eight (8) hours each day for SCADA system specific operator training to advise on the operation of the SCADA system software features and control operation. Training will be conducted using the plant SCADA computer and the McKim & Creed prepared control narrative. Four (4) color copies of the control narrative will be provided.
9. Provide a one (1) day session of up to eight (8) hours for SCADA system specific maintenance training to advise on maintenance and troubleshooting methods for the SCADA system hardware and software features. Training will be conducted using the hardware and programming software provided by the Contractor as part of the construction project.

Note: Training to be provided as part of a single site visit with both Operator and Maintenance training included in consecutive days. Training will be specific to the SCADA system hardware/software and independent of any other contracted training services.

II. SCADA Software Support Services (After plant startup)

1. Provide additional as requested and authorized services by the County for the customization and continuing support services for the SCADA system software after completion of the project construction activities. These efforts are to be determined during the first year of operation for the County to refine the operation of the plant from the SCADA system and could include such items as additional features, operation reports or

modifications to plant operations. Up to ten (10) days of services have been included.

III. Special Inspections Services

1. Provide for Special Inspection Requirements as required by the North Carolina State Building Code and the Craven County Inspections Department. The Engineer shall provide for review of monthly reports prepared by others and provide a written monthly report summarizing the various reports based on the current construction schedule of 18 months to substantial completion. The monthly Special Inspections report shall be submitted to the County and the Craven County Inspections Department. The reports shall summarize the following construction activities pertaining to the identified structures and buildings:
 - Soils and foundations
 - Cast-in-place concrete structures
 - Precast concrete structures
 - Masonry buildings
 - Structural steel to include bolted and welded connections

The Engineer shall also coordinate with the County's geotechnical firm as needed for the additional geotechnical and material testing that will be required to conform with the requirements for Special Inspections. These various tests results and reports will be included in the Engineer's monthly Special Inspections report for documentation.

IV. Additional Services

Additional professional services can be provided (within the qualifications of the Engineer and associate firms) upon request by the County, or upon authorization by the County following recommendation of the Engineer. These services shall include but not limited to the follow:

1. This scope of services addresses the SCADA software development-related components of work only. All other SCADA activities not

specifically noted or described in this document are excluded and assumed to be provided by others.

2. All equipment, control and measurement devices, control panels, valves and valve controllers, piping and tubing, vaults, installation, field wiring and conduit, terminations and instrument calibrations required for an operational SCADA system will be provided by the County's Phase 1 construction contractor.
3. Programming of any OEM vendor supplied control panels including programmable controller and/or operator interface applications. The individual vendor supplied control panels will have programming provided by the County's Phase 1 construction contractor.
4. Additional days of SCADA Software Support Services (After plant startup) beyond the 10 days included in the scope of services.
5. Providing for additional monthly Special Inspections Reports that may be required due to a construction schedule extension beyond the current 18 months to substantial completion.

V. County Responsibilities

The following items shall be the responsibility of the County:

1. The County shall provide for a geotechnical firm as needed for the additional geotechnical and material testing that will be required to conform with the requirements for Special Inspections. The geotechnical firm shall contract directly with the County.
2. The County shall provide for timely review of all SCADA implementation material in order to assist the Engineer in meeting the County's Phase 1 contractor's construction schedule. This would include but not limited to screen formatting/layout, alarm functions/needs, historical data and reporting needs.

VI. Miscellaneous Provisions

1. The attached McKim & Creed hourly rate schedule shall be incorporated as part of this agreement. The hourly rate schedule is subject to change January 1st of each calendar year.

2. Fixed fee tasks are predicated on the project proceeding in accordance with the indicated schedule. Should delays or suspension of activity in excess of 90 days occur, the remaining fee balances will be subject to an equitable adjustment equivalent to the increase in the ENR Construction Cost Index over the period corresponding to the suspension of activity.

VII. Compensation

SCADA System Software Implementation Services

| | |
|---|---------------|
| a. Base Bid | \$ 155,000 LS |
| b. Alternate Bid Additions | \$ 24,000 LS |
| SCADA Software Support Services (After plant startup) | \$15,000 Est |
| Special Inspections Services | \$53,200 LS |

Total Estimated Compensation Amendment No. 1 **\$247,200**

LS = Lump Sum, EST = Estimated fee but not guaranteed to be billed hourly

Compensation for services outlined above shall be either lump sum fee or on an hourly time and expense basis, as indicated. Invoicing will be made monthly at the estimated completion percentage of the work.

For Estimated Fee (Est) scope items, postage, subconsultants, and printing to be billed as reimbursable expenses at a cost multiplier of 1.15. Out of town expenses for living expenses and meals shall be billed at current per diem rates. Personal vehicle mileage to be billed at current IRS allowance. Company owned vehicles shall be billed at the prevailing McKim & Creed rate, currently \$0.85 per mile.

Note: For Estimated Fee (Est) scope items the above noted reimbursable expenses have been estimated and included in the estimated fee indicated in the compensation schedule.

SCHEDULE

The Engineer's effort will be scheduled so that the treatment facility construction will remain on the current schedule for completion by August 2016 assuming that the County issues the Notice to Proceed to the Phase 1 contractor by November 1, 2014.

Mr. Jack Veit
August 4, 2014
Page 8

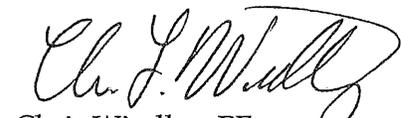
This proposal for Amendment No. 1 is valid for 60 days from the date of this submittal. If not accepted within that time, we would appreciate the opportunity to review the proposal for any revisions in scope, schedule, or fee that may be necessary.

If you have any questions or comments regarding this proposal or any other services we are providing for you, do not hesitate to call me.

Thank you for this opportunity to provide our proposal and we look forward to continuing our work with you on this project.

Sincerely,


Bryan Blake, PE
Vice-President


Chris Windley, PE
Senior Project Manager

Attachments;
M&C 2014 Hourly Rate Schedule

APPROVED BY:

CRAVEN COUNTY

Mr. Jack B. Veit, III, County Manager

Date

2014 SCHEDULE OF HOURLY RATES

| Employee Classification | Per Diem Rates (Fee/Hour) |
|-------------------------|------------------------------|
|-------------------------|------------------------------|

Engineering

| | |
|---------------------------------|----------|
| Principal | \$260.00 |
| Engineering Manager | \$230.00 |
| Sr. Project Manager | \$190.00 |
| Project Manager | \$160.00 |
| Technical Specialist..... | \$240.00 |
| Project Engineer IV | \$192.00 |
| Project Engineer III | \$170.00 |
| Project Engineer II..... | \$135.00 |
| Project Engineer I..... | \$125.00 |
| Engineer Intern | \$115.00 |
| Designer III | \$125.00 |
| Designer II | \$105.00 |
| Designer I..... | \$84.00 |
| Sr. CAD Technician | \$78.00 |
| CAD Technician..... | \$63.00 |
| Sr. Project Administrator | \$90.00 |
| Project Administrator..... | \$78.00 |
| Administrative Assistant | \$63.00 |

Construction

| | |
|-------------------------------------|----------|
| Construction Administrator III..... | \$135.00 |
| Construction Administrator II | \$125.00 |
| Construction Administrator I..... | \$105.00 |
| Project Representative III..... | \$125.00 |
| Project Representative II..... | \$105.00 |
| Project Representative I | \$85.00 |

Field Services

| | |
|------------------------------|----------|
| Field Technician I..... | \$75.00 |
| Field Technician II | \$100.00 |
| Field Services Manager | \$120.00 |

| Employee Classification | Per Diem Rates (Fee/Hour) |
|-------------------------|------------------------------|
|-------------------------|------------------------------|

Surveying

| | |
|---|----------|
| Sr. Surveyor/Project Manager III..... | \$205.00 |
| Sr. Surveyor/Project Manager II | \$185.00 |
| Sr. Surveyor/Project Manager I | \$148.00 |
| Project Surveyor | \$117.00 |
| Survey Intern | \$105.00 |
| Sr. Survey CAD Technician..... | \$95.00 |
| Survey CAD Technician | \$80.00 |
| Survey Technician | \$74.00 |
| Survey Field Supervisor | \$90.00 |
| Project Coordinator | \$105.00 |
| Field Survey Party (1 Person Crew)..... | \$95.00 |
| Field Survey Party (2 Person Crew)..... | \$135.00 |
| Field Survey Party (3 Person Crew)..... | \$175.00 |
| Photogrammetrist..... | \$135.00 |
| Photogrammetric Technician..... | \$80.00 |

Subsurface Utility Engineering

| | |
|---|----------|
| Utility Engineering Sr. Project Manager. | \$190.00 |
| Utility Engineering Project Manager | \$160.00 |
| Utility Engineering Technician I | \$69.00 |
| Utility Engineering Technician II | \$80.00 |
| Utility Engineering Analyst..... | \$90.00 |
| Utility Engineering Specialist | \$120.00 |
| Utility Engineering Party (2 Person Crew) | \$150.00 |
| Utility Engineering Party (3 Person Crew) | \$185.00 |

Geospatial Information Systems

| | |
|------------------------------|----------|
| GIS Specialist..... | \$105.00 |
| GIS Technician II | \$85.00 |
| GIS Technician I..... | \$65.00 |
| LiDAR Field Technician | \$80.00 |
| LiDAR Technician I..... | \$65.00 |
| LiDAR Technician II | \$85.00 |
| LiDAR Technician III..... | \$115.00 |

Hydrographic Surveying

| | |
|----------------------------------|---------|
| Hydrographic Specialist I..... | \$85.00 |
| Hydrographic Specialist II | \$95.00 |



Expenses

In addition to labor, McKim & Creed bills for the following project related costs at a contractually agreed markup: printing; conference calling charges; document review, permit or recording fees paid on behalf of the client; shipping; bid advertisement; specialty materials, software or equipment rental; sub-consultant fees; costs of project related employee travel including meals, lodging, airfare and miscellaneous travel costs such as tolls, parking etc.; mileage for all company-owned vehicles (trucks) will be billed at \$0.85/mile; employee owned vehicles used for transportation related to the project will be charged at the prevailing federal mileage rate allowed by the IRS at the time the travel occurs.

McKim & Creed also bills for the cost of internal reproduction and the use of specialized equipment related to subsurface utility vacuum excavation, mobile scanning (LIDAR), and hydrographic surveying.

BIDS DUE 10:00 A.M. – TUESDAY, AUGUST 12, 2014

00300 - BID FORM

PROJECT IDENTIFICATION:

**Water Main Extension
Old US 70 Highway /Asbury Road Area
Craven County, North Carolina**

THIS BID IS SUBMITTED TO:

**Mr. Rusty Hayes, Superintendent
Craven County Government
2830 Neuse Boulevard
New Bern, NC 28560**

1.01 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with OWNER in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

2.01 Bidder accepts all of the terms and conditions of the Advertisement or Invitation to Bid and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. The Bid will remain subject to acceptance for 120 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of OWNER.

3.01 In submitting this Bid, Bidder represents, as set forth in the Agreement, that:

A. Bidder has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of all which is hereby acknowledged.

| <u>Addendum No.</u> | <u>Addendum Date</u> |
|---------------------|----------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local and Site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and is satisfied as to all federal, state and local Laws and Regulations that may affect cost, progress and performance of the Work.

- D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 4.06 of the General Conditions.
- E. Bidder has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.
- F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
- G. Bidder is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents.
- H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
- I. Bidder has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by ENGINEER is acceptable to Bidder.
- J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.

4.01 Bidder further represents that this Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any individual or entity to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

5.01 Bidder will complete the Work in accordance with the Contract Documents for the following price(s):

Total Base Bid Work:

Seventy Two Thousand Seven Hundred Sixty (\$ 72,760.00)
(use words) (figure)

All specific cash allowances are included in the price(s) set forth above and have been computed in accordance with paragraph 11.02 of the General Conditions.

6.01 Bidder agrees that the Work will be substantially completed and completed and ready for final payment in accordance with paragraph 14.07.B of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

6.02 Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the times specified above, which shall be stated in the Agreement.

7.01 The following documents are attached to and made a condition of this Bid:

A. Required Bid security in the form of N/A;

8.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

SUBMITTED on Aug 12, 2014.

State Contractor License No. 29341. (If applicable)

If Bidder is:

An Individual

Name (typed or printed): _____
By: _____ (SEAL)
(Individual's signature)
Doing business as: _____
Business address: _____
Phone No.: _____ FAX No.: _____

A Partnership

Partnership Name: _____ (SEAL)
By: _____
(Signature of general partner -- attach evidence of authority to sign)
Name (typed or printed): _____
Business address: _____
Phone No.: _____ FAX No.: _____

A Corporation

Corporation Name: JAMES L CAYTON UTILITIES INC (SEAL)
State of Incorporation: NC
Type (General Business, Professional, Service, Limited Liability): _____
By: _____
(Signature -- attach evidence of authority to sign)
Name (typed or printed): JAMES L CAYTON JR
Title: President
Attest Russica C Ouel (CORPORATE SEAL)
(Signature of Corporate Secretary)
Business address: P.O. Box 3198
NEW BERN, NC 28564
Phone No.: 252-637-9389 FAX No.: 252-637-5622
Date of Qualification to do business is JAN 21, 1987

A Joint Venture

Joint Venturer Name: _____ (SEAL)

By: _____
(Signature of joint venture partner -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business address: _____

Phone No.: _____ FAX No.: _____

Joint Venturer Name: _____ (SEAL)

By: _____
(Signature -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business address: _____

Phone No.: _____ FAX No.: _____

Phone and FAX Number, and Address for receipt of official communications:

(Each joint venturer must sign. The manner of signing for each individual, partnership, and corporation that is a party to the joint venture should be in the manner indicated above.)

BIDS DUE 10:00 A.M. – TUESDAY, AUGUST 12, 2014

00300 - BID FORM

PROJECT IDENTIFICATION:

**Water Main Extension
Old US 70 Highway /Asbury Road Area
Craven County, North Carolina**

THIS BID IS SUBMITTED TO:

**Mr. Rusty Hayes, Superintendent
Craven County Government
2830 Neuse Boulevard
New Bern, NC 28560**

1.01 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with OWNER in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

2.01 Bidder accepts all of the terms and conditions of the Advertisement or Invitation to Bid and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. The Bid will remain subject to acceptance for 120 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of OWNER.

3.01 In submitting this Bid, Bidder represents, as set forth in the Agreement, that:

- A. Bidder has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of all which is hereby acknowledged.

| <u>Addendum No.</u> | <u>Addendum Date</u> |
|---------------------|----------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

- B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local and Site conditions that may affect cost, progress, and performance of the Work.
- C. Bidder is familiar with and is satisfied as to all federal, state and local Laws and Regulations that may affect cost, progress and performance of the Work.

- D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 4.06 of the General Conditions.
- E. Bidder has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.
- F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
- G. Bidder is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents.
- H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
- I. Bidder has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by ENGINEER is acceptable to Bidder.
- J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.

4.01 Bidder further represents that this Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any individual or entity to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

5.01 Bidder will complete the Work in accordance with the Contract Documents for the following price(s):

Total Base Bid Work:

Sixty three thousand five hundred sixty & ^{no}/₁₀₀ - (\$63,560.00)
(use words) (figure)

All specific cash allowances are included in the price(s) set forth above and have been computed in accordance with paragraph 11.02 of the General Conditions.

6.01 Bidder agrees that the Work will be substantially completed and completed and ready for final payment in accordance with paragraph 14.07.B of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

6.02 Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the times specified above, which shall be stated in the Agreement.

7.01 The following documents are attached to and made a condition of this Bid:

A. Required Bid security in the form of Bid Bond 5%

8.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

SUBMITTED on 8-12, 2014.

State Contractor License No. 3937. (If applicable)

If Bidder is:

An Individual

Name (typed or printed): _____

By: _____ (SEAL)
(Individual's signature)

Doing business as: _____

Business address: _____

Phone No.: _____ FAX No.: _____

A Partnership

Partnership Name: _____ (SEAL)

By: _____
(Signature of general partner -- attach evidence of authority to sign)

Name (typed or printed): _____

Business address: _____

Phone No.: _____ FAX No.: _____

A Corporation

Corporation Name: Herring-Rivenbark, Inc. (SEAL)

State of Incorporation: North Carolina

Type (General Business, Professional, Service, Limited Liability): General Business

By: *Douglas Smith*
(Signature -- attach evidence of authority to sign)

Name (typed or printed): Douglas Smith

Title: President

Attest *_____*
(Signature of Corporate Secretary)

Business address: Po Box 3425, Kinston, NC 28502

Phone No.: 252-527-2549 FAX No.: 252-527-0881

Date of Qualification to do business is 6-1-1965



A Joint Venture

Joint Venturer Name: _____ (SEAL)

By: _____
(Signature of joint venture partner -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business address: _____

Phone No.: _____ FAX No.: _____

Joint Venturer Name: _____ (SEAL)

By: _____
(Signature -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business address: _____

Phone No.: _____ FAX No.: _____

Phone and FAX Number, and Address for receipt of official communications:

(Each joint venturer must sign. The manner of signing for each individual, partnership, and corporation that is a party to the joint venture should be in the manner indicated above.)



Gwendolyn Bryan <gbryan@cravencountync.gov>

Coal Ash

3 messages

Chalk, Millie <Millie.Chalk@duke-energy.com>

Mon, Aug 18, 2014 at 10:12 AM

To: "tmccabe@cravencountync.gov" <tmccabe@cravencountync.gov>

Commissioner McCabe:

I understand you were at the NC Association of County Commissioners Annual meeting last week and spoke to one of my colleagues, Marty Clayton. Marty shared that you wanted more information you can share with constituents. I have attached several documents for your review and will be happy to call you to discuss further. Please let me know how I can assist further! My contact information is shown below.

Millie M. Chalk | Government and Community Relations | Duke Energy

2637 Gum Branch Road | Jacksonville, NC 28540-5740 | Office 910.346.1453 Fax
910.346.1410

Millie.Chalk@duke-energy.com



3 attachments **Ash101-fact-sheet-Opt2-final.pdf**
2547K **_DE fleetwide ash management.docx**
911K

Coal ash information for our neighbors

Ash basins and ash 101

All coal naturally contains inorganic matter from the rocks and minerals in the coal seam from which it was mined. Coal-fired power plants burn coal to make steam, and the steam turns turbines to generate electricity. When that coal is burned, the inorganic matter in the coal becomes coal ash. Coal ash has been accumulating at hundreds of sites throughout the United States for more than a half-century.

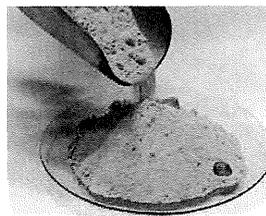
- Fly ash is a fine material similar to the consistency of talcum powder. It accounts for about 78 percent of the coal ash generated annually in the United States. Bottom ash is a coarser material collected from the bottom of coal-fired boilers.
- Fly ash is 90 percent composed of common elements that make up soil and rocks: silicon, iron, aluminum and calcium. Less than 1 percent is trace elements, such as arsenic.
- Coal plants with scrubbers (equipment used to reduce sulfur dioxide emissions) also produce synthetic gypsum as a byproduct.



Fly ash



Bottom ash



Gypsum

Health and safety

The U.S. Environmental Protection Agency (EPA) has evaluated coal ash extensively and has repeatedly determined that it is not a hazardous waste. The results of another EPA evaluation are due December 2014.

- Ash contains low levels of trace elements.
- Even if you did come into contact with ash, studies have shown you'd have to ingest large amounts to have the potential for experiencing adverse effects. The risk depends on whether you're actually exposed and at what amount.
- Regulations and electric utilities' practices to monitor groundwater, maintain safe ash basins and manage ash in lined landfills significantly reduce the potential for public exposure to ash or elements in ash.

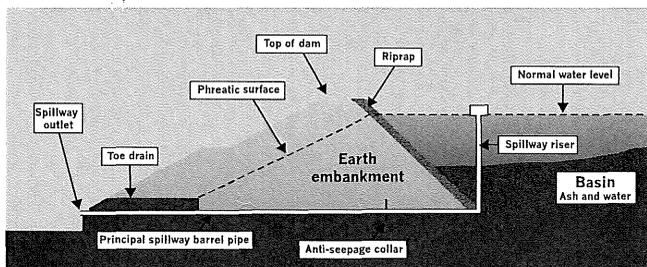
You can learn more at
duke-energy.com/ash-management.

Storage, monitoring and safety

In 2013, Duke Energy produced about 1.8 million tons of coal ash in North Carolina, and reused or recycled about 67 percent. About 40 percent was used in engineered structural fills and 26 percent was used in concrete products.

If the ash is not being reused or recycled, it can be stored dry in landfills or wet in ash storage basins. We've already transitioned nearly all of our coal-fired units to store fly ash dry in lined landfills and are evaluating the rest. Duke Energy maintains ash in 33 basins at 14 sites in North Carolina. At seven of the 14 sites, the company has retired the coal-fired power plants, so no new ash is being produced.

The graphic displays various parts of an ash basin cross section.



Ash Basin Cross Section

We have multiple measures in place to monitor the safety and environmental performance of our facilities. For example:

- Ash dam inspections: Inspections are conducted by company engineers, government regulators and independent third parties.
- Water monitoring: We routinely sample groundwater and surface water upstream and downstream of our coal-fired power plants and report these findings to the appropriate state and federal agencies.
- Fisheries monitoring: We also sample fish tissue annually at several sites near our coal plants across North Carolina to monitor the health of aquatic life.



Duke Energy scientists pay close attention to fishery health around our facilities.

Closing ash basins

Electric utilities have several options when closing ash basins:

- Recycling ash for concrete or some other beneficial use. We will continue pursuing this to the greatest extent possible.
- Gradually removing the water from the basins and capping the ash with a synthetic barrier. We will meet permit limits in this process to ensure water quality in lakes and rivers remains well protected.
- Excavating and relocating the ash to a lined structural fill or lined landfill.

Conditions of each site are unique. We believe the most effective solution is customized to the site and based on sound science and engineering. We've engaged some of the best experts in the country to assist with closure planning. Their work includes exploring soils, groundwater, geology, structural integrity and many other aspects. These evaluations will help us understand if groundwater would be well protected through a synthetic capping system or if excavation is a better solution. There may be occasions where we use a combination of excavation and capping as well. Any solution we recommend will meet state and federal regulations. We will continue to keep our neighbors and communities informed as the process moves forward.

You can learn more at
duke-energy.com/ash-management.

Committed to managing ash safely, responsibly

Duke Energy is committed to operating all its facilities with minimal environmental impact and in ways that protect the communities surrounding them. We continually work to balance the needs of customers—delivering reliable, affordable electricity and investing prudently to meet customers' needs in increasingly clean ways.

What is coal ash?

More than 40 percent of U.S. electricity comes from coal; it is the largest domestically-produced energy source. While many utilities like Duke Energy have begun retiring older, less efficient coal plants and replacing them with cleaner forms of generation, maintaining a diverse mix of fuel sources remains important.

Coal combustion results in fly ash and bottom ash. Fly ash is a fine, powdery material, while bottom ash is coarser. Fly ash is produced in much higher volume and is 90 percent common elements, such as silicon, iron and calcium; less than 1 percent is trace elements. Coal ash is neither “hazardous” nor “toxic.” Toxicity depends on dose, exposure and variety of other factors. While coal ash contains elements that can be toxic in high dosages, so do multivitamins, vegetables and many other materials in our daily lives.

Managing ash

- Duke Energy has many measures in place to safely and effectively manage ash. We dedicate significant resources and expertise daily to monitoring water quality across all the regions we serve.
- We beneficially reuse more than 60 percent of coal combustion byproducts (ash and gypsum), dramatically reducing the need for storing those on-site.
- A thorough dam safety inspection program has been in place since the 1970s. Duke Energy ash dams are well maintained and inspected routinely by professional engineers and state regulators.
- Ash basins were the customary storage method when many coal plants were built. Since then, we've invested in millions of dollars to transition to storing fly ash in a dry form in lined landfills at many of our larger coal plants. This provides additional protection to surface and groundwater, and more conversion projects are under way.
- We are committed to safely closing the ash basins at retired plants in the near future. Site-specific studies will determine the most appropriate closure method, and those closure plans will comply with all federal and state regulations. Closing ash basins will continue to protect water quality for the future and provides the ultimate resolution to questions about managing ash in basins.

We're accountable

As challenges arise, our company takes them seriously and develops appropriate steps to resolve them. We report water quality monitoring data to state regulators, and our permit compliance and waste management facilities receive significant oversight from those agencies to protect public health.

North Carolina Coal Plants

| Plant | Location | Plant status | Current ash management |
|--------------|------------------|--------------|---|
| Allen | Belmont, NC | Operating | Dry fly ash beneficially reused or managed in a lined landfill; basin receives bottom ash. |
| Asheville | Asheville, NC | Operating | Ash managed in basin and directed to a lined fill project at airport; developing future strategy. |
| Belews Creek | Belews Creek, NC | Operating | Dry fly ash beneficially reused or managed in a lined landfill; basin receives bottom ash. |
| Buck | Salisbury, NC | Retired | Priority for ash basin closure. |
| Cape Fear | Moncure, NC | Retired | Priority for ash basin closure. |
| Cliffside | Mooresboro, NC | Operating | U6 dry fly and bottom ash managed in a lined landfill; U5 directs ash to basins. |
| Dan River | Eden, NC | Retired | Priority for ash basin closure. |
| H.F. Lee | Goldsboro, NC | Retired | Priority for ash basin closure. |
| Marshall | Terrell, NC | Operating | Dry fly ash beneficially reused or managed in a lined landfill; basin receives bottom ash. |
| Mayo | Roxboro, NC | Operating | Dry fly ash beneficially reused or managed in a lined landfill; bottom ash managed in a lined landfill. |
| Riverbend | Mount Holly, NC | Retired | Priority for ash basin closure. |
| Roxboro | Semora, NC | Operating | Dry fly ash beneficially reused or managed in a lined landfill; basin receives bottom ash. |
| Sutton | Wilmington, NC | Retired | Priority for ash basin closure. |

Weatherspoon Lumberton, NC Retired Priority for ash basin closure.

**NORTH CAROLINA
CRAVEN COUNTY**

**AGREEMENT FOR ECONOMIC
DEVELOPMENT SUPPORT**

This **AGREEMENT FOR ECONOMIC DEVELOPMENT SUPPORT**, by and between **CRAVEN COUNTY**, a body politic and corporate of the State of North Carolina, and **ALLIES FOR CHERRY POINT'S TOMORROW**, a North Carolina not-for-profit corporation.

WITNESSETH:

ARTICLE 1

Definitions

Certain terms having specific definitions are used in this Agreement, and those terms and definitions, unless the context clearly indicates to the contrary, are as set forth in this Article. The defined terms appearing in this Article are set forth in the exact capitalized form as they appear between the quotation marks. When the same term is used in this Agreement with the meaning as assigned herein, it shall appear in the identical capitalized form. Otherwise, the term shall be considered in the context of the sentence in which it appears.

In addition to the defined terms appearing in this Article and used generally throughout the Agreement, some terms may be specific to a particular paragraph or provision rather than appearing in general use. Such terms are embedded as capitalized terms within a particular paragraph or provision and the meaning shall be as set forth therein.

The defined terms are:

1.1 "ACT" means and refers to Allies for Cherry Point's Tomorrow, a North Carolina nonprofit corporation, tax exempt under Section 501(c)(4) of the United States Internal Revenue Code.

1.2 "Agreement" means and refers to this *Agreement for Economic Development Support* entered into between the Parties.

1.3 "Contracted Services" means and refers exclusively to the following five (5) categories of services, collectively: (1) federal affairs consultant services; (2) state affairs consultant services; (3) legal services; (4) accounting services, including auditing services; and, (5) marketing services.

1.4 "County" means and refers to Craven County, a body politic and corporate of the State of North Carolina. When the context requires, "County" may also refer to County's manager who as of the Effective Date shall be considered County's authorized agent for purposes of this Agreement, unless otherwise specifically provided herein.

1.5 "Effective Date" means and refers to the latest date on the signature page of this Agreement indicating the agreement of the Parties to the matters and things contained herein.

1.6 "Parties" means and refers to the County and ACT.

1.7 "Restricted Funds" means and refers to money advanced by County pursuant to Article 6, to be used only for Contracted Services.

ARTICLE 2

Recitals

The following recitals are incorporated herein as an integral part of this Agreement:

2.1 Marine Corps Air Station Cherry Point, Fleet Readiness Center East, and their military and civilian personnel, together with dependents of those personnel, are the largest single economic force in Craven County.

2.2 ACT has as one of its primary purposes the protection and preservation of Marine Corps Air Station Cherry Point, Fleet Readiness Center East, and their military and civilian personnel, together with the dependents of those personnel. Further, ACT has been instrumental in such protection and preservation for more than 18 years.

2.3 County believes that the economic assistance to ACT contemplated herein will increase the population, taxable property, agricultural industries, business prospects, education, and general economic prosperity for all of the citizens of the County; and shall otherwise protect and promote the general health, safety and welfare of the citizens of the County.

NOW, THEREFORE, in consideration of the terms, conditions, and covenants expressed herein, the Parties agree as follows:

ARTICLE 3

Authority for the Agreement

This Agreement is entered into pursuant to the authority set forth in the General Statutes of North Carolina, including but not limited to N.C.G.S. §§153A-11 ("Corporate powers"),

153A-13 ("Continuing contracts") and 153A-449 ("Contracts with private entities").

ARTICLE 4

Purpose of Agreement

The purpose of this Agreement is to document the agreement of the Parties to provide economic assistance to ACT in order to support ACT's efforts towards preserving the viability of Marine Corps Air Station Cherry Point, Fleet Readiness Center East, and their military and civilian personnel. This Agreement is in furtherance of the intent to enhance the economic development and general welfare of Craven County as set forth in Article 2.

ARTICLE 5

Term and Duration

This Agreement shall be effective upon the Effective Date, and unless sooner terminated for cause by either party on fifteen (15) days advance written notice, terminate on June 30, 2015; provided however that the County shall be obligated to make any required final installment of Restricted Funds on July 15, 2015. For purposes of this Article 5, "for cause" means any material violation of the terms of this Agreement, including but not limited to the utilization of any Restricted Funds by ACT for purposes other than Contracted Services without the written approval of the County. Prior to terminating this Agreement for cause, a party must be given written notice of the alleged material violation of the terms of this Agreement, and a period of five (5) business days to cure the same.

ARTICLE 6

Method of Economic Assistance

6.1 The Parties shall undertake the following process in relation to ACT entering into any contracts for Contracted Services which are to be reimbursed, in whole or in part, by the County hereunder:

A. ACT shall prepare a proposed ten (10) month budget for each of the five (5) components of Contracted Services, which first shall be approved by the ACT Board of Directors. The parties expressly agree that the provisions of this Section 6.1(A) have been satisfied as of the Effective Date

B. Upon approval by the ACT Board of Directors of the proposed ten (10)

month budget for each of the five (5) components of Contracted Services, representatives of ACT and the County will meet to review and discuss the same. Once the Parties' representatives have agreed on a final proposed budget, the same shall be submitted to the Craven County Board of Commissioners for its approval of the same. Provided, however, in the event that the Craven County Board of Commissioners does not approve the same by August 31, 2014, then this Agreement shall immediately and automatically terminate at 11:59 p.m. on such date, and be of no further force or effect. The parties expressly agree that the provisions of this Section 6.1(B) have been satisfied as of the Effective Date

C. Upon approval of the budget for each of the five (5) components of Contracted Services by the County, ACT shall solicit Requests for Proposals for the same, based on the estimated budget ranges and requested services so approved; but in no event, to be for more than ten (10) months. The parties expressly agree that the provisions of this Section 6.1(C) have been satisfied as of the Effective Date.

D. ACT shall thereafter decide which Requests for Proposals it decides to accept, and shall enter into binding written agreements for the same, to be effective September 1, 2014; or such other date as the Parties may agree in writing. ACT may enter into contracts for Contracted Services in any amount it elects, even if more than the approved budgeted amount. The County shall not be a party to such contracts for Contracted Services.

E. In no event shall the County be obligated to fund ACT for any component of the Contracted Services more than the budgeted amount approved by the County, or the actual contracted amount, whichever is less. In no event shall the County be obligated to fund more than Forty Thousand Dollars (\$40,000.00) per month for all Contracted Services in the aggregate.

6.2 Subject to compliance by ACT with all conditions contained herein, and upon receipt of a written invoice from ACT certifying that the funds will be expended in accordance with the provisions of this Agreement, County shall transfer up to the sum of Forty Thousand Dollars (\$40,000.00) per month during the term hereof to ACT as Restricted Funds, the exact amount as set forth and determined pursuant to Section 6.1 above. Subject to County's receipt of Act's written invoice, such transfer of Restricted Funds to ACT shall be made in ten (10)

monthly equal installments, beginning September 15, 2014, and continuing on the 15th day of each month thereafter. Upon termination of this Agreement, ACT shall have no claim for any remaining Restricted Funds not used or reasonably allocated for use by ACT.

6.3 At any time during the term of this Agreement, and for a period of one (1) year thereafter, County may require ACT to provide an itemization of the uses and disbursements of the Restricted Funds and the recipients thereof, to be provided within ten (10) days of such request.

6.4 The Parties recognize and agree that ACT will be entering into contracts for Contracted Services, each with a term of ten (10) months, obligating itself to make payments for such services consistent with the provisions of this Section 6. In the event County breaches this Agreement, and such breach creates any liability for ACT arising out of its inability to make timely payments for Contracted Services, County shall indemnify, defend and hold ACT harmless from and against any and all damages, losses, claims, liabilities, deficiencies and obligations of every kind and description resulting from the County's breach of this Agreement.

ARTICLE 7

Responsibilities of ACT

7.1 ACT shall utilize the Restricted Funds only in accordance with this Agreement and for no other purpose without the advance written consent of the County.

7.2 ACT agrees that it will have the Restricted Funds audited on at least an annual basis by a certified public accountant agreeable to both ACT and the County, and that the results of the audit will be provided to the County within ten (10) days of receipt of the same. ACT shall be solely responsible for all costs related to the audit, but may utilize the Restricted Funds for the same.

7.3 Upon request of the County, ACT agrees that during the term of this Agreement, representatives of the Parties will meet to discuss future budgetary/funding needs beyond the term of this Agreement, and to discuss any procedural improvements that might assist the Parties in carrying out the purpose of this Agreement.

ARTICLE 8

Responsibilities of County

8.1 The County agrees to transmit the Restricted Funds to ACT for use for Contracted Services in furtherance of economic development as specified in Article 6.

8.2 Upon request of ACT, the County agrees that during the term of this Agreement, representatives of the Parties will meet to discuss future budgetary/funding needs beyond the term of this Agreement, and to discuss any procedural improvements that might assist the Parties in carrying out the purpose of this Agreement.

ARTICLE 9

Amendment

This Agreement may not be modified or amended except by subsequent written agreement authorized by the governing bodies of each party and signed by authorized representatives of each party.

ARTICLE 10

Entire Agreement

This instrument contains the entire Agreement among the Parties with regard to the subject matter hereof, and no statement, oral or written, made by either party or agent of either party that is not contained in this written Agreement shall be valid or binding.

ARTICLE 11

Assignment

No assignment, delegation, transfer, or novation of this Agreement or any part thereof shall be made unless approved by the Parties.

ARTICLE 12

Duplicate Originals

This Agreement shall be executed by the Parties hereto in duplicate originals, each of which, when executed, shall constitute one and the same Agreement and one of which shall be retained by each of the Parties.

ARTICLE 13

No Third Party Beneficiaries

This Agreement is intended to set forth the rights and obligations of the Parties hereto and no other person or entity shall have any rights or remedies as a third party beneficiary.

ARTICLE 14

Governing Law; Exclusive Venue

Notwithstanding the principles of conflicts of law, the internal laws of the State of North Carolina shall govern and control the validity, interpretation, performance, and enforcement of this Agreement. Exclusive venue for any action, whether at law or in equity, shall be Craven County.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, the same having been approved by their respective governing bodies.

CRAVEN COUNTY

Thomas F. Mark, Chairman

ATTEST:

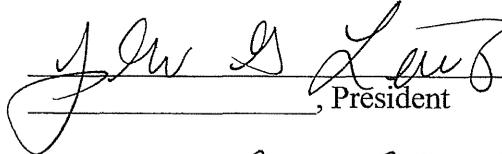
Date Signed: _____

Gwendolyn Bryan, Clerk

[SEAL]

ALLIES FOR CHERRY POINT'S TOMORROW

By:


_____, President

ATTEST:

Date Signed: Aug 27, 2014

_____, Secretary

[SEAL]

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Craven County Finance Director

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NORTH CAROLINA
CRAVEN COUNTY

**INTERLOCAL AGREEMENT
FOR JOINT ECONOMIC
DEVELOPMENT SUPPORT**

This Agreement made and entered into by and among CRAVEN COUNTY, CAROLINAEAST HEALTH SYSTEM and CAROLINAEAST MEDICAL CENTER;

W I T N E S S E T H:

ARTICLE 1

Definitions

Certain terms having specific definitions are used in this Agreement, and those terms and definitions, unless the context clearly indicates to the contrary, are as set forth in this Article. The defined terms appearing in this Article are set forth in the exact capitalized form as they appear between the quotation marks. When the same term is used in this Agreement with the meaning as assigned herein, it shall appear in the identical capitalized form. Otherwise, the term shall be considered in the context of the sentence in which it appears.

Some terms or phrases may be emphasized by being shown in **boldfaced type** or *italics*. In emphasizing a term or phrase, the defined meaning is not altered. Emphasis is used solely for the purpose of drawing particular attention to the individual word or phrase in the context that it is being used.

In addition to the defined terms appearing in this Article and used generally throughout the Agreement, some terms may be specific to a particular paragraph or provision rather than appearing in general use. Such terms are embedded as capitalized terms within a particular paragraph or provision and the meaning shall be as set forth therein.

The defined terms are:

1.1 "ACT" means and refers to Allies for Cherry Point's Tomorrow, a North Carolina nonprofit corporation, tax exempt under Section 501(c)(4) of the United States Internal Revenue Code.

1.2 **"ACT Agreement"** means and refers to a written agreement between the County and ACT that specifies matters related to the receipt and expenditure of the Restricted Funds.

1.3 **"Agreement"** means and refers to this *Interlocal Agreement for Joint Economic Development Support* entered into between the Parties pursuant to the authorization contained in Chapter 160A, Article 20 (Interlocal Cooperation), Part 1 (Joint Exercise of Powers) of the General Statutes of North Carolina.

1.4 **"CarolinaEast"** means and refers to CarolinaEast Medical Center, a North Carolina non-profit membership corporation whose sole member is CarolinaEast Health.

1.5 **"CarolinaEast Health"** means and refers to CarolinaEast Health System, a North Carolina Hospital Authority established pursuant to the North Carolina Hospital Authorities Act, Chapter 131E, Article 2, Part B of the General Statutes of North Carolina.

1.6 **"Contracted Services"** means and refers exclusively to the following five (5) categories of services, collectively: (1) federal affairs consultant services; (2) state affairs consultant services; (3) legal services; (4) accounting services, including auditing services; and, (5) marketing services.

1.7 **"County"** means and refers to Craven County, North Carolina, a body politic and corporate.

1.8 **"Effective Date"** means and refers to September 1, 2014, retroactive from the **latest date** on the signature page of this Agreement indicating the agreement of the Parties to the matters and things contained herein.

1.9 **"Parties"** means and refers to the County, CarolinaEast Health and CarolinaEast.

1.10 **"Restricted Funds"** means and refers to money advanced by CarolinaEast pursuant to §7.1 to be used only for Contracted Services.

1.11 **"Undertaking"** means the joint exercise by the Units of Local Government who are parties to the Agreement, or the contractual exercise by one unit for one or more other units, of any power, function, public enterprise, right, privilege, or immunity of local government.

1.12 **"Units of Local Government"** means and refers to CarolinaEast, CarolinaEast Health and the County.

ARTICLE 2

Recitals

The following recitals are incorporated herein as an integral part of this Agreement:

2.1 The governing bodies of CarolinaEast and CarolinaEast Health, by resolution adopted on September 13, 2011, resolved that in order to support their operations and maintain their financial viability and independence, the economy of their service area must be supported and maintained and, to the extent possible, revenue streams from payor sources such as Medicare, Medicaid, Tricare, commercial and managed care payors must remain constant or increase and revenue streams received from existing payor sources must not decrease in unsustainable amounts.

2.2 Significant active duty military personnel and active duty dependents receive healthcare services at CarolinaEast through the Tricare program, and significant numbers of civilians employed by the federal government receive health care services at CarolinaEast, making imperative to the financial stability of CarolinaEast the maintenance of a viable presence at Marine Corps Air Station Cherry Point and Fleet Readiness Center East, for which CarolinaEast is a sole community provider under the Tricare Program.

2.3 Marine Corps Air Station Cherry Point, Fleet Readiness Center East, and their military and civilian personnel, together with dependents of those personnel, are the largest single economic force in the service area of CarolinaEast and CarolinaEast Health.

2.4 The Units of Local Government fully support economic development in their

service area in order to maintain the health, safety and general welfare of their citizens, including the maintenance and protection of the acute care facilities of CarolinaEast and CarolinaEast Health, which serve the healthcare needs of the population in their service area.

NOW, THEREFORE, in consideration of the terms, conditions, and covenants expressed herein, the Parties agree as follows:

ARTICLE 3

Authority for the Agreement

This Agreement is entered into pursuant to the authority set forth in the General Statutes of North Carolina, including but not limited to N.C.G.S. Chapter 160A, Article 20, Part 1, "*Interlocal Cooperation*".

Authority for the Agreement is also to be found in the approval of the Agreement by the respective governing bodies of the Parties, as well as the September 13, 2011 resolution of CarolinaEast.

ARTICLE 4

Purpose of Agreement

The purpose of this Agreement is to document the agreement of the Parties to provide economic assistance to ACT in order to support ACT's efforts towards preserving the viability of Marine Corps Air Station Cherry Point, Fleet Readiness Center East and their military and civilian personnel. This Agreement is in furtherance of the intent to enhance the economic development of the CarolinaEast and CarolinaEast Health service area as set forth in a resolution of the Board of Directors of CarolinaEast on September 13, 2011, in which the CarolinaEast Board of Directors took action to maintain the financial viability and independence and support the economy of the CarolinaEast Health service area to the extent possible, in part by maintaining revenue streams from payor sources such as Medicare, Medicaid, Tricare,

commercial and managed care payors and by preventing revenue streams received from existing payor sources from decreasing in unsustainable amounts.

ARTICLE 5

Term and Duration

5.1 The initial term of this Agreement shall be for a period of ten (10) months from the Effective Date.

5.2 Following the initial term, this Agreement shall continue on a month to month basis unless terminated by either Party, provided; however, that notwithstanding the expiration or termination of this Agreement, CarolinaEast shall be obligated to continue funding pursuant to Section 7.1 for any then current budget year of ACT in which ACT has planned activities and expenditures in reliance of receipt of the Restricted Funds.

ARTICLE 6

Manner of Appointing Necessary Personnel

The Parties shall each appoint the necessary **personnel** for performing their independent obligations under this Agreement.

ARTICLE 7

Method of Financing

The Undertaking which is the subject of this Agreement shall be financed as follows:

7.1 Subject to compliance by ACT with the monthly need and use requirements set forth in this paragraph and evidence thereof being supplied to CarolinaEast, or its designated agent, CarolinaEast shall transfer **up to** the sum of \$40,000.00 per month during the term hereof to the County as **Restricted Funds** intended to achieve the purposes set forth in Article 4. In turn, the County shall transfer such Restricted Funds to ACT within fifteen (15) business days after the funds are requested by ACT, provided that ACT has identified the need and use of the

funds on at least a monthly basis. Upon termination of this Agreement, any surplus Restricted Funds not used or reasonably allocated for use by ACT shall be returned to CarolinaEast.

7.2 At any time during the term of this Agreement, CarolinaEast may request that the County require ACT to provide an itemization of the uses and disbursements of the Restricted Funds and the recipients thereof.

7.3 Other than as set forth in this Agreement, neither CarolinaEast nor CarolinaEast Health is expected nor obligated to provide any funding for the purposes set forth in Article 4.

ARTICLE 8

Ownership of Real Property

There is no real property involved in this Undertaking.

ARTICLE 9

Responsibilities of County

9.1 The County agrees to receive the Restricted Funds transferred from CarolinaEast and transmit the same to ACT for use for Contracted Services in furtherance of economic development as specified in Article 4.

9.2 County agrees to require that the ACT Agreement require that the Restricted Funds will be audited on at least an annual basis by a certified public accountant agreeable to both ACT and the County and that the results of the audit be provided to the County and CarolinaEast.

9.3 County agrees that the ACT Agreement contain a requirement for ACT to prepare an annual budget showing the anticipated receipt and expenditure of the Restricted Funds.

9.4 County agrees to provide CarolinaEast a copy of executed ACT Agreement and any amendments thereto.

ARTICLE 10

Responsibilities of CarolinaEast

CarolinaEast agrees to provide the sums as set forth in Article 7.

ARTICLE 11

Amendment

This Agreement may not be modified or amended except by subsequent written agreement authorized by the governing bodies of each party and signed by authorized representatives of each party.

ARTICLE 12

Entire Agreement

This instrument contains the entire Agreement among the Parties with regard to the subject matter hereof, and no statement, oral or written, made by either party or agent of either party that is not contained in this written Agreement shall be valid or binding.

ARTICLE 13

Assignment

No assignment, delegation, transfer, or novation of this Agreement or any part thereof shall be made unless approved by the Parties.

ARTICLE 14

Duplicate Originals

This Agreement shall be executed by the Parties hereto in duplicate originals, each of which, when executed, shall constitute one and the same Agreement and one of which shall be retained by each of the Parties. It shall be sufficient that CarolinaEast and CarolinaEast share one original document.

ARTICLE 15

No Third Party Beneficiaries

This Agreement is intended to set forth the rights and obligations of the Parties hereto and no other person or entity shall have any rights or remedies as a third party beneficiary, including, but not by way of limitation, ACT.

ARTICLE 16

Governing Law

This Agreement shall be governed in accordance with the law of the State of North Carolina.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, the same having been approved by the respective governing bodies.

CRAVEN COUNTY

ATTEST:

Thomas Mark, Chairman

_____, Clerk

Date Signed: _____

[SEAL]

CAROLINAEAST HEALTH SYSTEM

By: _____
Norman B. Kellum, Jr., Chair

Date Signed: _____

CAROLINAEAST MEDICAL CENTER

By: _____
Norman B. Kellum, Jr., Chair

Date Signed: _____

**PROCLAMATION
RED RIBBON WEEK**

WHEREAS, illegal drugs are a major contributor to the destruction of lives in our society, stealing the future and the potential of too many of our your people; and

WHEREAS, violent crime can too often be the result of the use and trafficking of these substances; and

WHEREAS, the last week of October is known as Red Ribbon Week in honor of those who stand against illegal drugs in our communities; and

WHEREAS, the Cherry Point Young Marines spend no less than twelve hours per year giving anti-drug instruction to other Young Marines, youth outside their organization and in their schools; and

WHEREAS, this youth service and education program promotes the mental, moral and physical development of boys and girls from age 8 through high school; and

WHEREAS, the Cherry Point Young Marines participate in Project Alert substance abuse program and received the 2013 Secretary of Defense Community Drug Awareness Fulcrum Shield Award for having one of the best anti-drug programs in the country.

NOW, THEREFORE, BE IT RESOLVED that the Craven County Board of Commissioners proclaims the week of October 23-31, 2014 Red Ribbon Week in Craven County and commends the New Bern Young Marines for their efforts in this war against illegal drugs.

Adopted this 15th day of September, 2014.

Chairman Thomas F. Mark
Craven County Board of Commissioners

Gwendolyn M. Bryan
Clerk to the Board

NORTH CAROLINA
CRAVEN COUNTY

ASSET PURCHASE AGREEMENT

THIS **ASSET PURCHASE AGREEMENT** (this "Agreement") is entered into as of the ___ day of September, 2014 (the "Effective Date") by and between **CRAVEN COUNTY**, a North Carolina body politic and corporate ("Seller"), and **PRUITTHEALTH HOME HEALTH, INC.**, a Georgia corporation ("Purchaser").

BACKGROUND AND PURPOSE

Seller provides home health and related services in Craven County, North Carolina. Purchaser is duly authorized to do business in the State of North Carolina, and Seller desires to sell certain assets relating to the provision of home health agency services to Purchaser, and Purchaser has agreed to purchase the same on and subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, Seller and Purchaser agree as follows:

1. Sale and Transfer of Assets. In compliance with the terms of N.C. Gen. Stat. §131E-13, and subject to the terms and conditions of this Agreement, Seller shall sell, and Purchaser shall purchase for the consideration set forth herein, the assets solely related to Seller's home health agency business, operated as a division of the Craven County Public Health Department and licensed as Craven County Home Health Agency (Medicare Provider Number 34-7026; Medicaid Provider Number 3407026, if determined to be transferrable) (the "Business"), excluding the Excluded Assets (defined below), but otherwise including, without limitation, all of the property described as follows (collectively, the "Assets"):

(a) All of Seller's right, title, and interest in and to those certain medical records of the clients of the Business (the "Clients") as described in that certain Medical Record Custodian Agreement designating Purchaser as custodian, including paper records and electronic records (together, the "Client Records"), subject to the rights of the Clients to authorize the transfer of the Client Records, the Clients' right of access to the information contained in their records, if applicable, and subject to all privacy and confidentiality requirements imposed by state or federal law or regulation;

(b) Subject to any required consents or approvals, as applicable, and to the extent assignable, the certificate of need (or equivalent), all governmental and non-governmental provider numbers and agreements, including, but not limited to, Seller's Medicare provider agreement with the Centers for Medicare & Medicaid Services ("CMS"), as it relates to Medicare Provider Number 34-7026 ("Seller's Medicare Number"), and Seller's National Provider Identification number 1336448961 ("Seller's NPI Number") (collectively, "Seller's Home Health Provider Numbers and Agreements"). Seller's accreditation, and such other contracts and agreements as may be identified on Schedule 1(b) and other intangible rights of Seller necessary to operate the Business, in each case to the extent transferable to Purchaser;

(c) Seller's furniture, furnishings, and office equipment used in the operation of the Business, including that listed on Schedule 1(c), if any, as well as inventory (including, without limitation, any inventory located in Clients' homes and other locations where inventory has traditionally been located by Seller in the ordinary course of business, as well as medical supplies inventory), and medical supplies used in connection with the Business, together with any expenses or implied warranty (to the extent such warranties are transferred) by the manufacturers or sellers or any item thereof (the "Business Equipment and Supplies"); provided, however, the parties agree that the Business Equipment and Supplies do not include the desk top, lap top or other clinical point-of-care computer equipment and servers utilized in the operation of the Business. However, as of the Effective Date, Seller shall make all such computer equipment utilized in the Business available to the Buyer during the change of ownership process until issuance of the Tie-In Notice (as defined below) from CMS Region IV that is not utilized by the Seller's staff working in the hospice program;

(d) All client or prospective client lists, mailing lists, subscriber and advertiser lists, subscriptions or processes, technical data, inventory records, budgets, supplier records, billing documents for clients of Seller used in or relating to the Business;

(e) All advertising, editorial, marketing, promotional and ancillary materials used in or related to the Business;

(f) Except for the name "Craven County" or any variant thereof and all logos and marks associated therewith, all of the intellectual property of Seller used in connection with the operations of the Business, including, without limitation, the following: (i) all trademarks, service marks, trade and business names, logos (the "Marks") and all registrations relating thereto; (ii) all copyrighted works and registrations therefor; (iii) all customer or patient lists (including names and contact information), telephone numbers, and customer and patient calls that come to the Seller, on and after the Closing Date, desiring to be in contact with the Business; and (iv) the goodwill related to items (i) - (iii) of this subsection (f) and any royalty income therefrom accruing on or after the Closing Date (collectively, the "Intellectual Property"); and

(g) Any and all of Seller's goodwill in, and ongoing concern value of, the Business and the Assets.

Notwithstanding anything to the contrary herein, those assets of Seller specifically set forth on Schedule 1 (collectively, the "Excluded Assets") are not being sold hereunder and shall not be included in the term "Assets."

2. Requirements of Sale. Pursuant to N.C. Gen. Stat. §131E-13(a), following the Effective Time (as defined below), and for so long as Purchaser operates the Business and N.C. Gen. Stat. §131E-13 is not amended or deleted to permit the termination of the obligations set forth below as to this transaction, Purchaser shall:

(a) Continue to provide the same or similar home health services that Seller provided immediately prior to the Closing Date to individuals in need of such services;

(b) Ensure that indigent care is available to the population of the area served by the Business at levels related to need as previously demonstrated and determined mutually by Seller and Purchaser;

(c) Not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment;

(d) Ensure that admission to and services of the Business are available to beneficiaries of governmental reimbursement programs (Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs; and

(e) Prepare an annual report to Seller that shows compliance with the requirements of this Section 2, which report shall be sent in accordance with Section 30(a) of this Agreement. The report shall provide a brief summary description of the type of home health services provided in such fiscal year. Subject to patient confidentiality requirements, the report shall indicate the total number of patients seen by the Business in such fiscal year and the number provided indigent care.

In the event Purchaser fails to substantially comply with these conditions, or if it fails to operate the Business open to the public and free of discrimination based on race, creed, color, sex, or national origin unless relieved of this responsibility by operation of law, or if Purchaser dissolves without a successor entity to carry out the terms and conditions of this Agreement, then all ownership and other rights in the Business, including the Assets associated with the Business, shall revert to Seller (subject to the provisions of Section 3); provided that any building, land, or equipment associated with the Business that Purchaser has constructed or acquired after the Effective Time may revert only upon payment to Purchaser of a sum equal to the cost less depreciation of such building, land, or equipment.

3. Reversion Procedures. If Seller believes that Purchaser has failed to substantially comply with the conditions listed in Section 2 above, Seller shall provide Purchaser written notice outlining the nature of such failure in accordance with Section 30(a) below. Purchaser thereafter shall have ninety (90) days to cure such non-compliance and/or to develop a plan to remediate any such non-compliance prospectively.

4. Disclaimer of Warranties. PURCHASER HAS HAD ACCESS TO ALL REQUESTED INFORMATION AND RECORDS OF THE BUSINESS RELEVANT FOR PURCHASER TO MAKE AN INFORMED DECISION TO ENTER INTO THIS AGREEMENT. IN ADDITION, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER INSTRUMENT EXECUTED AND DELIVERED BY SELLER AT CLOSING, PURCHASER ACKNOWLEDGES THAT SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ASSETS (INCLUDING, WITHOUT LIMITATION, THE INCOME TO BE DERIVED THEREFROM OR EXPENSES TO BE INCURRED WITH RESPECT THERETO). PURCHASER HAS CONDUCTED ALL NECESSARY DUE DILIGENCE, AND SELLER MAKES NO

REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE BUSINESS OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER INSTRUMENT EXECUTED AND DELIVERED BY SELLER AT CLOSING.

5. Accounts Receivable; Certain Receipts by Purchaser and Seller.

(a) Seller shall retain whatever right, title and interest it may have in and to all outstanding accounts receivable which relate solely to services performed during the period prior to and on the Closing Date. Seller shall have full authority to collect on such accounts receivable, and Purchaser shall have no obligation to collect any such account receivable on Seller's behalf. Seller acknowledges that Purchaser shall own and shall have the right and authority to collect on Purchaser's own behalf all accounts receivable arising from services provided by the Business after the Closing Date. Notwithstanding the foregoing, the Medicare Home Health accounts receivable for patients undergoing an episode of care as of the Effective Time (individually a "Patient" or collectively the "Patients") shall be allocated between Seller and Purchaser based on the days elapsed during the current episode as of and following the Effective Time. Consistent with the foregoing sentence, after the Closing and through such time as the Tie-In Notice is received, Purchaser agrees to provide Seller on a monthly basis a spreadsheet, organized by Patient, identifying the following: (i) episode start date, (ii) initial episode value used for the request for additional payment; (iii) episode end date, (iv) final episode value; (v) final episode payment; and (vi) proration calculations. Appropriate allocation of the amounts indicated on the spreadsheet shall be made to the relevant party on a monthly basis.

(b) Payments received by Purchaser on or after the Closing Date from third-party payors, including, but not limited to, Medicare, Medicaid, managed care and health insurance, shall be forwarded by Purchaser to Seller, along with the applicable remittance advice, within thirty (30) days after receipt thereof, if the applicable remittance advice identifies that such payment solely relates to the period on or prior to the Closing Date. In all other instances (except for those instances described in paragraph (d) below), including, without limitation, all instances in which the remittance advice does not specifically indicate the period to which a payment relates or in which there is no accompanying remittance advice, such payments shall be retained by and belong to Purchaser.

(c) Payments received by Seller from third-party payors, including, but not limited to, Medicare, Medicaid, managed care and health insurance, shall be forwarded by Seller to Purchaser within thirty (30) days following the end of the calendar month in which they are received if such payments specifically indicate on the accompanying remittance advice that such payments relate solely to the period after the Closing Date. In all other instances (except for those instances described in paragraph (d) below), including, without limitation, all instances in which the remittance advice does not specifically indicate the period to which a payment relates or in which there is no accompanying remittance advice, such payments shall be retained by and belong to Seller.

(d) If any payment relates to periods both prior to and on or after the Closing Date, the party receiving the payment shall forward the amount relating to the other party's operation (which amount shall be pro rata based on the total number of days of service set forth

on a remittance advice or applicable supporting records and documentation), along with the applicable remittance advice, if any, within thirty (30) days following the end of the calendar month in which the payment is received.

(e) The parties agree to meet on a monthly basis for up to six (6) months following the Closing to reconcile payments to ensure that the payment is remitted to the proper party. The provisions of paragraphs (a), (b) and (c) shall be employed only in the event that it cannot be reasonably determined which party is entitled to a payment.

(f) On the Closing Date, Seller shall provide Purchaser with an updated list of all active patients receiving services.

6. Purchase Price. In consideration of the sale and transfer of the Assets, Purchaser shall pay to Seller the sum of Eight Hundred Fifty Thousand and No/100 Dollars (\$850,000.00) (the "Purchase Price"). In accordance with the Letter of Intent by and between Seller and Purchaser dated June 6, 2014, Purchaser delivered to Seller, as earnest money, Fifty Thousand and No/100 Dollars (\$50,000.00) (the "Earnest Money") which shall be credited against the Purchase Price. At the Closing, Purchaser shall deliver to Seller the balance of the Purchase Price, after crediting the Earnest Money and subject to any prorations and adjustments set forth in this Agreement.

7. Closing. The closing of the transactions contemplated under this Agreement (the "Closing") shall be held at the office of Seller's Attorney on September 30, 2014 following the satisfaction or waiver of all closing conditions set forth in Sections 20 and 21 below, or such other time and place that the parties may agree (the "Closing Date"), effective as of 11:59 p.m. (EST time) on the Closing Date (the "Effective Time").

8. Seller's Closing Obligations. In addition to any other documents to be delivered under other provisions of this Agreement, at the Closing Seller shall deliver to Purchaser:

(a) an executed Bill of Sale and Assignment (the "Bill of Sale") in substantially the form attached as part of Exhibit A hereto, conveying, as of the Effective Time, the Assets to Purchaser, free and clear of all claims, liabilities, obligations, liens, charges, security interests, and encumbrances;

(b) a certificate executed by an officer of Seller certifying as to the accuracy of its representations and warranties herein as of the Effective Date and as of the Closing in accordance with Section 20(a) and as to Seller's compliance with and performance of its covenants and obligations to be performed or complied with at or before the Closing in accordance with Section 20(b);

(c) updated versions of the patient lists referred to in Section 5(f);

(d) copies of all consents required to be obtained by Seller in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby as required to be disclosed in Schedule 18(c); and

(e) an executed Lease Agreement ("Lease Agreement") in substantially the form attached hereto as Exhibit B, by and between Seller and Purchaser, which provides Purchaser the right to occupy and use the space currently occupied by Seller for the Business until such time as the Tie-In Notice is received and Purchaser is lawfully permitted to relocate the Business, which Seller acknowledges is subject to receipt of all appropriate approvals from applicable governmental authorities.

9. Purchaser's Closing Obligations. In addition to any other documents to be delivered under other provisions of this Agreement, at the Closing, Purchaser shall deliver to Seller:

(a) The balance of the Purchase Price, subject to any prorations and adjustments set forth in this Agreement, by wire transfer to Seller;

(b) A certificate executed by an officer of Purchaser certifying as to the accuracy of its representations and warranties herein as of the Effective Date and as of the Closing in accordance with Section 21(a) and as to Purchaser's compliance with and performance of its covenants and obligations to be performed or complied with at or before the Closing in accordance with Section 21(b); and

(c) An executed Lease Agreement.

10. Additional Documents. From time to time, whether at or after the Closing and without further consideration, the parties shall execute and deliver such further instruments of conveyance and transfer and take such further action as either may reasonably request in order to convey and transfer the Assets and to document the transactions contemplated hereby. Purchaser and Seller each shall reasonably cooperate with the other in the timely completion of the documentation contemplated by this Agreement, as well as the other requirements of this Agreement, including such matters that may arise following the Closing. This Section 10 shall survive Closing.

11. Liabilities. All liabilities or obligations of Seller and all liabilities or obligations relating to or arising out of the Business, including, but not limited to, (i) any liabilities or obligations associated with amounts payable to or by Seller, (ii) any liabilities or obligations of Seller incurred or accrued with respect to periods, or relating to events occurring prior to the Effective Time arising under the terms of the Medicare, Medicaid, or any other third-party payor programs, including, without limitation, under Seller's Home Health Provider Numbers and Agreements, (iii) any other liabilities or obligations of Seller incurred or accrued, or relating to the Assets or Seller's operation of the Business prior to the Effective Time (including the Contracts (as defined in Section 18(n) below), and (iv) any other liabilities or obligations of Seller unrelated to the Business (whether incurred or accrued with respect to periods, or relating to events occurring prior to or after the Effective Time) are referred to as the "Retained Liabilities." All of the Retained Liabilities will remain the sole responsibility of and will be retained, paid, performed and discharged solely by Seller. Seller shall retain and discharge in

the ordinary course all obligations of Seller, regardless of whether Purchaser provides Seller with any assistance in Seller's discharge of those liabilities and obligations.

12. Seller's Home Health Provider Numbers and Agreements. Except as set forth in Schedule 1, effective as of the Effective Time, Seller sells, assigns, and transfers to Purchaser, to the fullest extent permitted by law, all right, title, benefit, privileges, and interest in, to, and under Seller's Home Health Provider Numbers and Agreements, each to the extent transferable. By virtue of the assignment and assumption of Seller's Provider Numbers and Agreements, following the Effective Time, Purchaser is entitled to full and exclusive use of Seller's Home Health Provider Numbers and Agreements. Notwithstanding the foregoing, Purchaser shall not assume or be deemed to have assumed and shall not be responsible for any liability or obligation of Seller under Seller's Home Health Provider Numbers and Agreements with respect to periods on or prior to the Closing Date. Purchaser shall be solely responsible for the operation by Purchaser of the Business after the Closing Date and for any liabilities of Purchaser or the Business which arise out of Purchaser's operation of the Business after the Closing Date, including those arising from the use of Seller's Home Health Provider Numbers and Agreements after the Closing Date.

13. Bank Account and Flow of Funds.

(a) As of, at and following the Closing, Seller shall maintain a certain bank account for all Craven County departments including the Public Health Department, into which all deposits for accounts receivable and other rights of payment for goods and services provided by the Business are made (the "Existing Account"). Seller shall identify the Existing Account to Purchaser on or before the Effective Date.

(b) At and following the Closing, and consistent with Sections 5 and 16 hereof, Seller shall direct the financial institution at which the Existing Account is maintained to transfer by wire or EFT, at least weekly, but will endeavor to do so more frequently, all funds in the Existing Account that represent deposits for accounts receivable and other rights of payment for goods and services provided by the Business following the Effective Time into such financial institution account as Purchaser may designate. Seller and Purchaser shall establish a mutually acceptable process for accounting and tracking all deposits for goods and services provided by the Business following the Effective Time.

(c) If the financial institution at which the Existing Account is maintained provides any financing to Seller, Seller agrees to indemnify and make whole Purchaser should the financial institution seek to claim or offset funds in the Existing Account relating to the operation of the Business following the Effective Time (i.e., funds that should be transferred to Purchaser) against any obligation of Seller to the financial institution.

(d) Seller agrees that it will execute and deliver any additional documents or agreements, including but not limited to any additional documents or agreements required by any bank or other financial institution, necessary to effectuate this Section. Seller and Purchaser will work cooperatively and in good faith to promptly and accurately implement this Section.

(e) The periodic transfer of funds anticipated by this Section will continue at least until such time as the Tie-In Notice is issued and all Medicaid, Medicare and other EFTs have been transferred to an account established by Purchaser, and for any time thereafter as may be reasonably required to effectuate proper payment to Purchaser for goods and services provided by the Business following the Effective Time. The terms of this Section 13 shall survive Closing.

14. Employees.

(a) The parties agree that Purchaser may elect, but is not required as a part of this Agreement, to acquire any of the employees of Seller currently involved in the operation of the Business (sometimes referred to herein collectively as the "Employees").

(b) Seller agrees to remain solely liable for all accrued benefits, paid time off, and other employee benefits or liabilities attributable to the service of any Employee while he/she is an employee of Seller. From and after the Effective Time, Seller shall also remain solely responsible for any and all benefit liability relating to or arising in connection with any applicable legal requirements to provide continuation of health care coverage to Employees and their covered dependents under any employee benefit plan with respect to Seller's employment of the Employees. From and after the Effective Time, Seller shall remain solely responsible for any and all liability to or in respect of any Employees relating to or arising in connection with any and all claims for workers' compensation benefits arising in connection with any occupational injury or disease occurring on or prior to the Closing Date. Seller shall be solely responsible for providing any notice and making any payments to any Employees required by Worker Adjustment and Retraining Notification Act or similar law as a result of the transactions contemplated by this Agreement, whether such notice is required to be given before or after the Closing Date.

(c) Except as expressly set forth herein, Purchaser shall not assume any liabilities with respect to any Employees or with respect to any employee benefit plan or any claim thereupon or related thereto. From and after the Effective Time, except as expressly set forth herein, Seller shall remain solely responsible for any and all liability with respect to the Employees relating to or arising in connection with or as a result of (i) the employment or the actual or constructive termination of employment of any such employee by Seller (including, without limitation, in connection with the consummation of the transactions contemplated by this Agreement), (ii) the participation in or accrual of benefits or compensation under, or the failure to participate in or to accrue compensation or benefits under, any employee benefit plan or other employee or retiree benefit or compensation plan, program, practice, policy, agreement, or arrangement of Seller, or (iii) accrued but unpaid compensation (including, without limitation, deferred compensation).

15. Cost Report Matters. Seller shall timely prepare, execute, and file all Cost Reports for periods ending on the Closing Date or required as a result of the consummation of the transactions set forth herein, including terminating cost reports for the Medicare and the Medicaid programs (the "Terminating Cost Reports"). The liabilities relating to or arising under cost reports for periods on or prior to the Closing Date shall accrue to, and be the responsibility of, Seller. Purchaser shall, promptly after receipt by Purchaser, forward to Seller any demand for payments relating to government cost report settlements, Seller's cost reports, and/or any Seller

cost report reopened prior to the Effective Time. Seller agrees to deliver to Purchaser a copy of any action, order, notice (including, any notice of program reimbursement), or other correspondence from the fiscal intermediary, Medicare contractor, CMS, or North Carolina Department of Health and Human Services (“NCDHHS”) or any of its divisions or contractors received by Seller relating to Seller’s cost reports. Purchaser shall have all rights to (i) reopen any Seller cost report and any amounts receivable with respect to such reopened Seller cost reports, and (ii) appeal any determinations relating to government cost report settlements, Seller cost reports, and/or any reopened Seller cost report; provided, however, that Purchaser shall pay all cost report liability to the extent such liability is assessed against and payable by Seller solely as a result of Purchaser’s reopening of any of Seller’s cost reports. Seller shall have all rights to any additional payments received from the fiscal intermediary, Medicare contractor, CMS, or NCDHHS or any of its divisions or contractors relating to Seller’s cost reports for all periods prior to the Effective Time, provided that such additional payments are not the result of Purchaser reopening or appealing any such cost report, in which case Purchaser shall receive such additional payments. Seller shall retain the originals of all of Seller’s cost reports, correspondence, work papers, and other documents relating to Seller’s cost reports and/or government cost report settlements; however, Purchaser shall be permitted to have prompt access to all such originals at any reasonable time upon reasonable notice.

16. Misdirected Payments. Purchaser and Seller covenant and agree that Seller and Purchaser shall remit, with reasonable promptness, to the other any payments received, which payments are on or in respect of accounts or notes receivable owned by (or are otherwise payable to) Seller or Purchaser, as applicable. Notwithstanding the foregoing, Seller agrees to remit to Purchaser, within thirty (30) days of receipt by Seller, any payments received by Seller for services rendered by Purchaser after the Effective Time. Purchaser also agrees to remit to Seller, within thirty (30) days of receipt by Purchaser, any payments received by Purchaser for services rendered by Seller prior to the Effective Time. In addition, and without limitation, in the event of a determination by any governmental or third-party payor that payments to Seller for the Business resulted in an overpayment or other determination that funds previously paid by any program or plan related to the Business must be repaid, Seller shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered prior to the Effective Time, and Purchaser shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered after the Effective Time.

(a) In the event that, following the Effective Time, Purchaser suffers any offsets against reimbursement under any third-party payor or reimbursement programs owed to Purchaser, relating to amounts owing under any such programs by Seller for services rendered prior to the Effective Time, Seller shall within thirty (30) days of receipt of a written demand from Purchaser pay to Purchaser the amounts so billed or offset. To the extent permitted by law, from the Effective Time to such date as: (i) CMS issues a tie-in notice to Purchaser with respect to the Business (the “Tie-In Notice”), Seller hereby grants Purchaser the right to submit claims, reports, documents and other information to CMS or its contractors using Seller’s Medicare Number, Seller’s Medicaid Number, Seller’s NPI Number, and other information as necessary to receive payment for such services, for services provided to patients through the Business during such period. Subject to the terms set forth in Section 5, Seller acknowledges and agrees that all

such receivables arising from services rendered after the Effective Time are the sole property of Purchaser.

(b) In the event that, following the Effective Time, Seller suffers any offsets against reimbursement under any third-party payor or reimbursement programs owed to Seller, relating to amounts owing under any such programs by Purchaser or any of its affiliates for services rendered after the Effective Time, Purchaser shall within thirty (30) days of receipt of a written demand from Seller pay to Seller the amounts so billed or offset.

(c) The terms of this Section 16 shall survive Closing.

17. Notice to Clients. Prior to the Effective Time, Purchaser and Seller shall jointly notify the Clients of the transactions contemplated by this Agreement. Neither Purchaser nor Seller shall send any notices to the Clients regarding this transaction without the other party's approval as to the content and manner of such notice, which approval shall not be unreasonably withheld, conditioned, or delayed.

18. Representations, Warranties and Covenants of Seller. To induce Purchaser to enter into this Agreement, Seller represents and warrants to Purchaser that:

(a) Organization and Good Standing. Seller is a North Carolina body politic and corporate, and has full power and authority to own the Assets and to carry on the Business as it is now being conducted.

(b) Authority. Seller has full power, authority, and legal capacity to enter into this Agreement and all other agreements relating thereto and to consummate the transactions contemplated hereby and thereby, and the execution, delivery, and performance of this Agreement does not constitute a breach or default under or conflict with any provision contained in any formation or governance documents of Seller or in any agreement, instrument, judgment, order, or laws to which Seller is a party or by which Seller is bound. This Agreement and all other agreements relating thereto have been duly executed and delivered by Seller and constitute valid and legally binding obligations of Seller, enforceable in accordance with their terms. All acts, conditions, and things necessary or required by the Constitution and laws of the State of North Carolina or otherwise to exist, happen, and be performed precedent to the execution and delivery of this Agreement do exist, have happened, and have been performed.

(c) Notices and Consents. Except as set forth in Schedule 18(c) Seller is not and will not be required to give any notice to or obtain any consent from any person in connection with the execution and delivery of this Agreement and all other agreements relating thereto or the consummation or performance of the transactions contemplated hereby and thereby. All notices and consents set forth on Schedule 18(c) have been obtained or, as to notices deliverable by Seller to Purchaser at Closing, have been obtained by Seller prior to the Closing Date as agreed to by Seller and Purchaser. Seller agrees to cooperate with Purchaser as requested by Purchaser in the preparation of notices or consents required by Purchaser to operate the Business.

(d) Changes in Representations and Warranties. All information of Seller furnished and to be furnished to Purchaser is and will be accurate as of the date of this Agreement and as of the Closing Date. None of the information contained in the representations and warranties of Seller set forth in this Agreement or in any of the exhibits, lists, documents, schedules, or other instruments delivered or to be delivered to Purchaser as contemplated by any provision of this Agreement contains or will contain any untrue statements of material fact or omissions. Throughout the period from the date of signing of this Agreement through and including the Closing Date, Seller shall give Purchaser prompt written notice of (i) any representation and warranty made by Seller in this Agreement which Seller hereafter learns was inaccurate or incorrect when originally made, (ii) any event, change, or occurrence which would make any representation or warranty of Seller inaccurate or incorrect as of the time of such event, change or occurrence, and (iii) any event, change, or occurrence which will or reasonably may be anticipated to prevent Seller from making the same representations and warranties as set forth herein on and as of the Closing Date. The giving of any such notices shall not limit or modify any rights of Purchaser hereunder arising in the case of a breach of a representation or warranty by Seller, and Purchaser shall have the right to terminate this Agreement at any time prior to Closing following receipt by Purchaser of any such notice of a materially inaccurate or incorrect representation or warranty.

(e) Assets. Seller owns and has, or will own and have as of the Effective Time, good and marketable title to the Assets, free and clear of all obligations, charges, security interests, conditional sales contracts, leases, claims, encumbrances, and liens whatsoever.

(f) Licenses, Authorizations and Provider Programs. Seller, with respect to the Assets and the Business, is: (i) the holder of all valid licenses and other rights, permits and authorizations required by any legal requirement or any governmental authority necessary to operate the Assets and the Business (collectively the "Governmental Authorizations"), (ii) certified for participation and reimbursement under Titles XVIII and XIX of the Social Security Act (the "Medicare and Medicaid Programs") (The Medicare and Medicaid programs and such other similar federal, state, or local reimbursement or governmental programs for which Seller is eligible to receive payments on account of services provided by the Business are hereinafter referred to collectively as the "Government Programs"), and (iii) the holder of current provider agreements for such Government Programs. Set forth on Schedule 18(f) as to the Assets and the Business is a correct and complete list of all such licenses, permits and other authorizations, and provider agreements under all Government Programs, and each such license, permit, authorization and agreement is valid and in full force and effect. Seller is not in default under any such Governmental Authorizations or Government Programs, nor has Seller received in the three year period prior to the Effective Date any written notice from any governmental authority regarding any default under any such Governmental Authorizations or Government Programs, nor, to the knowledge of Seller, does any circumstance exist which with notice or the passage of time or both would result in such a default.

(g) Litigation. There are no claims, actions, suits, labor disputes or arbitrations, or legal or administrative proceedings or investigations pending against Seller for the Assets or the operation of the Business, and no such actions or proceedings have been commenced within the last three (3) years. To best of Seller's knowledge, no such actions, suits,

labor disputes or arbitrations, or legal or administrative proceedings or investigations are contemplated or threatened against Seller for the Assets or the operation of the Business nor, to the best of Seller's knowledge, is there any basis therefore. To best of Seller's knowledge, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for the commencement by any person of any action, suit, proceeding or investigation against Seller relating to the Assets or the operation of the Business.

(h) Health Care Compliance.

(i) Seller is participating in or otherwise authorized to receive reimbursement from or is a party to agreements with the Government Programs. All necessary certifications and contracts required for participation in such programs are in full force and effect and have not been amended or otherwise modified, rescinded, revoked, or assigned as of the date hereof, and no condition exists or event has occurred which in itself or with the giving of notice or the lapse of time or both would result in the suspension, revocation, impairment, forfeiture, exclusion, or non-renewal of any such programs. Seller has been and continues to be in compliance with the requirements of such program applicable thereto. Seller has delivered to Purchaser true, correct and complete copies of all agreements and cost reports relating to such programs. Seller has duly filed all cost reports required by Medicare and Medicaid and all such cost reports accurately reflect the information required to be included in such reports.

(ii) Seller has been and is currently in compliance, and is presently taking and will continue to take, until the Effective Time and for such additional periods of time after the Effective Time if Seller is in possession of medical records or other private medical information, all actions necessary to assure that it shall, on or before each applicable compliance date and continuously thereafter, comply with the applicable provisions of the Health Insurance Portability and Accountability Act of 1996, as amended by the HITECH Act of the American Recovery and Reinvestment Act of 2009 ("HIPAA") and its implementing regulations, including without limitation, the Standards for Electronic Transaction and Code Set (45 CFR Parts 160 and 162), the Standards for Privacy of Individually Identifiable Health Information (45 CFR Parts 160 and 164), the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Parts 160 and 164) and such other regulations that may, from time to time, be promulgated thereunder. Seller has not received any notice from any governmental authority that such governmental authority has imposed or intends to impose any enforcement actions, fines, or penalties for any failure or alleged failure to comply with HIPAA or its implementing regulations.

(iii) There are no liabilities with respect to, and there are no claims against Seller by any customer, client, insurer or third party payor with respect to, overpayments made to Seller in connection with the operation of the Business. Seller is not aware of any pending or threatened claims against Seller by any customer, client, insurer or third party payor for overpayments in connection with the operation of the Business. Seller has no outstanding liabilities associated with any third party audits or denials by any third party payors in connection with the operation of the Business.

(iv) All of Seller's Employees and independent contractors used in the operation of the Business are qualified, certified, and licensed, as applicable, to render the services they are rendering for the Business without restriction or limitation in such capacity in the State of North Carolina.

(i) Compliance with Law.

(i) Seller has conducted the Business so as to comply with, and is in compliance in all material respects with, all laws, statutes, regulations, rules and other requirements of any governmental authority applicable to it, including, without limitation, all laws, statutes and regulations related or incident to the licensure, credentialing and certification of providers of professional or technical medical services, physicians and health professionals, health and safety matters, employment and labor laws, health laws and regulations, and Medicare and Medicaid regulations.

(ii) There are no outstanding judgments, orders, writs or decrees of any judicial or other governmental authority binding specifically upon Seller or the Assets, other than judgments, orders, writs and decrees with which Seller has complied and which have no future applicability.

(j) Existing Account. Seller represents and warrants to Purchaser that Seller has directed the Government Programs to electronically deposit all payments owed by the Government Programs for services provided by the Business into the Seller's Existing Account, and Seller represents and warrants that the Government Programs do not (a) send any payments for services provided by the Business to any other entity or person, or (b) deposit (electronically or otherwise) any payments for goods and services provided by the Business into any bank account other than the Seller's Existing Account. Seller agrees that it will not change, cause to be changed, or permit to be changed, the instructions to the Government Programs regarding payments to the Account until (1) CMS issues the Tie-In Notice to Purchaser, (2) NCDHHS, through its Division of Medical Assistance or contractors, issues the approval of the change of ownership; and (3) Purchaser has received all payments due to Purchaser related to the operation of the Business after the Closing Date that were or are scheduled to be deposited into the Seller's Existing Account. Seller agrees that it shall execute and deliver any additional documents or agreements, including, but not limited to, any additional documents or agreements required by any bank or other financial institution, necessary to effectuate this provision. Notwithstanding the foregoing, Seller's representations hereunder grant Purchaser no legal rights in or to Seller's Existing Account; provided however this provision shall not be construed to restrict Seller's obligations or Purchaser's authorities as more specifically set forth in Section 13 of this Agreement.

(k) No Conflict. Except as set forth in Schedule 18(k) neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby will, directly or indirectly (with or without notice of lapse of time) (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Seller is subject, or (ii) conflict with,

result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Seller is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any lien upon any of its assets). Other than as specifically set forth in this Agreement, Seller does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement.

(l) Covenant Related to Prior Approvals. Seller shall not at any time seek to avoid the transactions contemplated by this Agreement on the grounds of the failure of Seller to comply with the provisions of N.C. Gen. Stat. § 131E-13.

(m) Satisfaction of Conditions. Seller promptly shall proceed to satisfy all conditions set forth in Section 20 below, and shall notify Purchaser upon Seller's discovery or belief that Seller will be unable to meet such conditions.

(n) Contracts and Leases. Seller has delivered to Purchaser true and complete copies of all contracts, commitments, agreements (including agreements for the borrowing of money or the extension of credit), leases, licenses, understandings and obligations, whether written or oral, to which Seller is a party or by which Seller or the Assets is bound or affected, that are material to the operation of the Business (the "Contracts"). Each of the Contracts is valid, binding and enforceable in accordance with their terms and is in full force and effect. There are no existing defaults, and no events or circumstances have occurred which, with or without notice or lapse of time or both, would constitute defaults, under any of the Contracts. Each of the Contracts is a part of the Excluded Asset and the Retained Liabilities of Seller.

(o) Absence of Changes. Since June 6, 2014, Seller has conducted the operations of the Business only in the ordinary course, and has not:

- (i) Suffered any damage in excess of \$10,000 to any asset of the Business, whether or not covered by insurance;
- (ii) Sold or disposed of any assets used in the operation of the Business except for sales of inventory in the ordinary course of business, or suffered, permitted or incurred the imposition of any lien or encumbrance upon any of the Assets;
- (iii) Made any wage increase for the employees of the Business, individually or as a group, other than in the ordinary course of business, materially changed the size or composition of the Business's work force, entered into any union contract, or adopted any new pension, benefit or severance plan;
- (iv) Amended, terminated or given or received any notice with respect to any Contract relating to the conduct of the Business or the Assets;

- (v) Incurred any obligation or liability, except normal trade or business obligations incurred in the ordinary course of business;
- (vi) Suffered, permitted, committed or incurred any default in any liability or obligations which has resulted in or will result in liabilities, losses, damages, injuries or claims exceeding \$10,000 in the aggregate;
- (vii) Suffered any material adverse change in the condition (financial or otherwise), results of operations or business of the Business or the Assets, or any other event that might reasonably be expected to have a material adverse effect on the Business or the Assets; or
- (viii) Agreed, whether in writing or otherwise, to take any action described in this Section 18 (o).

(p) Non-Duplication of Services. For a period commencing on the Closing date and ending five (5) years therefrom, so long as Purchaser is in substantial compliance with the provisions of Section 2 of this Agreement, Seller agrees that neither it nor its sub-units of government shall, without the prior written consent of Purchaser (which consent may be withheld or granted in the sole discretion of Purchaser), directly or indirectly operate, or contract for the operation of, a home health agency (as defined at N.C. Gen. Stat. § 131E-176(12)) in competition with the Purchaser ("Duplicative Services"). Notwithstanding the foregoing sentence, Duplicative Services will not include any home health services being provided by any hospital the primary campus of which is in Craven County, or any home health agency or services existing as of Closing and identified on Schedule 18(p), if any. Provided, however, the provisions of this Paragraph 18(p) do not include or extend to the Seller's provision of licensed Hospice Agency services under NCGS 131E-200 (Hospice Licensure Act). Furthermore, Duplicative Services will not include the provision of palliative care services provided, or to be provided by Seller, for which a Home Care license is required pursuant to NCGS 131E-135-142 (Home Care Licensure Act) and 10A NCAC 13 (Home Care Agency Licensing Rules).

(q) Survival. This Section 18 shall survive Closing.

19. Representations of Purchaser. To induce Seller to enter into this Agreement, Purchaser represents and warrants to Seller that:

(a) Organization and Good Standing. Purchaser is a Georgia corporation duly organized, validly existing, and authorized to transact business in the State of North Carolina.

(b) Due Authorization. Purchaser has full power, authority, and legal capacity to enter into this Agreement and all other agreements relating thereto and to consummate the transactions contemplated hereby and thereby, and the Purchaser's execution,

delivery, and performance of this Agreement and all other agreements relating thereto does not conflict with any provision contained in any governing document, agreement, instrument, judgment, order, or laws to which Purchaser is a party or by which Purchaser is bound. This Agreement and all other agreements relating thereto have been duly executed and delivered by Purchaser and constitutes a valid and legally binding obligation of Purchaser, enforceable in accordance with its terms.

(c) Satisfaction of Conditions. Purchaser promptly shall proceed to satisfy all conditions set forth in Section 21 below, and shall notify Seller upon Purchaser's discovery or belief that Purchaser will be unable to meet such conditions.

(d) No Conflict. The execution, delivery, and performance of this Agreement does not conflict with any provision contained in the governing documents of Purchaser or with any provision of any agreement, instrument, judgment, order, or law to which Purchaser is a party or is subject or by which it is bound. This Agreement has been duly executed and delivered by Purchaser and constitutes a valid and legally binding obligation of Purchaser, enforceable in accordance with its terms.

(e) Covenant Related to Prior Approvals. Purchaser shall not at any time seek to avoid the transactions contemplated by this Agreement on the grounds of the failure of Seller to comply with the provisions of N.C. Gen. Stat. § 131E-13.

(f) Survival. This Section 19 shall survive Closing.

20. Conditions to Purchaser's Performance. The obligations of Purchaser under this Agreement shall be subject to each of the following conditions, any one or more of which may be waived by Purchaser:

(a) All representations and warranties of Seller contained in this Agreement or in any other document delivered by Seller pursuant to this Agreement shall be true, correct, and complete on and as of the Effective Date and on and as of the Closing Date;

(b) Seller shall have observed, kept, or performed all of the terms and conditions of this Agreement to be observed, kept, or performed by Seller;

(c) Purchaser or Seller shall have received a determination by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section, that Seller's sale, and Purchaser's acquisition, of the Assets is exempt from certificate of need review;

(d) Purchaser shall have received from the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Acute and Home Care Licensure and Certification Section a home health license required by law to operate the Business as of Closing;

(e) Purchaser shall have received such other licenses, permits, and authorizations required by law to operate the Business as of Closing, except for such licenses,

permits, and authorizations that, due to the requirements of applicable law or regulation, Purchaser can obtain only after the Closing;

(f) Except as otherwise provided in this Agreement to the contrary, Seller shall have terminated, or transferred to other health department or other Craven County departments, the employment of the Employees working in the home health program, on or before the Effective Time; shall have made and remitted all proper deductions, remittances, and contributions for the Employees' wages, commissions, and salaries required of them under all applicable contracts, statutes, and regulations and, wherever required by such contracts, statutes, and/or regulations, all proper deductions and contributions from its own funds for such purposes; and shall have made all proper pension benefit pay-outs for the Employees in accordance with plan requirements and Seller's policies and procedures thereon. Seller shall perform all reporting duties in respect of all such wages, commissions, salaries, and other compensation and in respect of all such deductions and contributions. Purchaser assumes no liability for any amounts whatsoever which have been paid or should have been paid to or for the benefit of, or withheld from, any employee of Seller; and

(g) Seller shall have delivered the documents and instruments required by Section 8.

(h) Seller shall have used its best, good faith efforts, to expeditiously undertake all of its obligations contained herein.

21. Conditions to Seller's Performance. The obligations of Seller under this Agreement shall be subject to the following conditions, any one or more of which may be waived by Seller:

(a) All representations and warranties of Purchaser contained in this Agreement or in any other document delivered by Purchaser pursuant to this Agreement shall be true, correct, and complete on or as of the date when made and on or as of the Closing, as if made on the Closing;

(b) Purchaser shall have observed, kept, or performed all of the terms and conditions of this Agreement to be observed, kept, or performed by Purchaser;

(c) Seller shall have received from the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Acute and Home Care Licensure and Certification Section a hospice license required by law to continue operation of Seller's hospice business as of Closing;

(d) Purchaser shall have paid to Seller the balance of the Purchase Price; and

(e) Purchaser shall have delivered the documents and instruments required by Section 9.

(f) Purchaser shall have used its best, good faith efforts, to expeditiously undertake all of its obligations contained herein.

22. Termination.

(a) Termination Events. By written notice given prior to or at the Closing, subject to Section 22(b), this Agreement may be terminated as follows:

(i) by Purchaser, in the event a material breach of this Agreement has been committed by Seller and such breach has not been cured within thirty (30) days by Seller or waived in writing by Purchaser;

(ii) by Seller, in the event a material breach of this Agreement has been committed by Purchaser, and such breach has not been cured within thirty (30) days by Purchaser or waived in writing by Seller;

(iii) by Purchaser, if the satisfaction of any of the conditions to Purchaser's obligation to close the transactions contemplated hereby as set forth in Section 20 becomes impossible (other than through the failure of Purchaser to comply with its obligations under this Agreement), and Purchaser has not waived such condition in writing;

(iv) by Seller, if the satisfaction of any of the conditions to Seller's obligation to close the transactions contemplated hereby as set forth in Section 21 becomes impossible (other than through the failure of Seller to comply with its obligations under this Agreement), and Seller has not waived such condition in writing;

(v) by mutual written consent of Purchaser and Seller;

(vi) by Purchaser pursuant to Section 18(d); and

(vii) by Purchaser or Seller, if the Closing has not occurred on or before September 30, 2014, or such later date as the parties may agree upon in writing, unless the terminating party is in material breach of this Agreement.

(b) Effect of Termination. Each party's right of termination under Section 22(a) is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of such right of termination will not be an election of remedies. If the Agreement is terminated pursuant to Section 22(a), all obligations of the parties under this Agreement will terminate, except for obligations stated to survive such termination, and further provided that the obligations in this Section 22 will survive; provided, however, that if this Agreement is terminated by a party because of the breach of the Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired. If the Closing occurs, the Earnest Money will be credited against the Purchase Price. If the Closing does not occur and this Agreement is terminated pursuant to Sections 22(a)(i), (iii), (v) (vi) or (vii), the Earnest Money shall be returned to Purchaser within

two (2) business days of the date of such termination. If the Closing does not occur and this Agreement is terminated pursuant to Sections 22(a)(ii) or (iv), the Earnest Money shall be retained by Seller.

23. Indemnification by Purchaser. Subject to the Indemnification Cap (as defined below), Purchaser agrees to indemnify Seller and hold Seller harmless from and against any and all losses, damages, costs, liabilities, and expenses (including all reasonable attorneys' fees) (collectively, "Losses") arising from claims by third parties, resulting from, or incident to:

(a) Any breach by Purchaser of any of its obligations or duties under this Agreement or the incorrectness of any representation or warranty made by Purchaser in this Agreement or any document executed in connection herewith;

(b) The operation of the Business by Purchaser on and after the Effective Time, including, but not limited to, billing practices, other than with respect to actions of Seller;

(c) Any failure by Purchaser to comply materially with all laws, regulations, and orders applicable to its business and operations; and

(d) Any and all professional liability incurred by Purchaser or Purchaser's employees on or after the Effective Time, other than with respect to actions of Seller.

Purchaser shall not be required to indemnify Seller under this Section 23 for any Losses that in the aggregate exceed the lesser of: (1) the Purchase Price; or (2) the FYE 2014 Medicare revenue (the "Indemnification Cap").

24. Indemnification by Seller. To the extent permitted by law and subject to the Indemnification Cap, Seller agrees to indemnify Purchaser and hold Purchaser harmless from and against any and all Losses arising from claims by third parties, resulting from, or incident to:

(a) Any breach by Seller of any of its obligations or duties under this Agreement or the incorrectness of any representation or warranty made by Seller in this Agreement or any document executed in connection herewith;

(b) The operation of the Business by Seller prior to the Effective Time including, but not limited to, billing practices, other than with respect to actions of Purchaser;

(c) Any failure by Seller to comply materially with all laws, regulations, and orders applicable to the Business and its operations prior to the Effective Time;

(d) Any Retained Liabilities; and

(e) Any and all professional liability incurred by Seller or Seller's employees relating to the operation of the Business prior to the Effective Time, other than with respect to actions of Purchaser.

Seller shall not be required to indemnify Purchaser under this Section 24 for any Losses that in the aggregate exceed the Indemnification Cap.

25. Notice of Claim; Defense. Any party seeking to be indemnified hereunder (the “Indemnified Party”) shall, within thirty (30) days following discovery of the matters giving rise to a Loss, notify the party from whom indemnity is sought (the “Indemnity Obligor”) in writing of any claim for recovery, specifying in reasonable detail the nature of the Loss, the nature of the underlying claim, the section of this Agreement under which the claim arises and, which party in interest is responsible for the breach or failure to act, and the amount of the liability estimated to arise therefrom (provided that a failure by an Indemnified Party to deliver such notice as provided herein shall not relieve the Indemnity Obligor of its obligations under this Agreement except and only to the extent the Indemnity Obligor is actually prejudiced by such failure to give notice). The Indemnified Party shall not settle or compromise any claim by a third party for which it is entitled to indemnification hereunder, without the prior written consent of the Indemnity Obligor (which shall not be unreasonably withheld or delayed) unless a suit shall have been instituted against it and the Indemnity Obligor either (i) shall not have undertaken the defense of such suit after notification thereof or (ii) is demonstrably unable to undertake the defense of such suit or satisfy the claims arising thereunder. If the facts pertaining to a Loss arise out of the claim of any third party, or if there is any claim against a third party available by virtue of the circumstances of the Loss, the Indemnity Obligor may, by giving written notice to the Indemnified Party within fifteen (15) days following its receipt of the notice of such claim, elect to assume the defense or the prosecution thereof, including, without limitation, the employment of counsel, accountants, consultants or other experts at its cost and expense; provided, however, that during the interim the Indemnified Party shall use commercially reasonable efforts to protect against further damage or loss with respect to the Loss. The Indemnified Party shall have the right to employ counsel separate from counsel employed by the Indemnity Obligor in any such action and to participate therein, but the fees and expenses of such counsel shall be at the Indemnified Party’s own expense. Whether or not the Indemnity Obligor chooses so to defend or prosecute such claim, all the parties hereto shall cooperate in the defense or prosecution thereof.

26. Survival of Representations, Warranties and Agreements. All of the representations, warranties, and agreements contained herein shall survive the execution and delivery of this Agreement and the Closing hereunder and shall continue in full force and effect thereafter according to their respective terms or until the applicable statute of limitations, whichever is longer.

27. Access. Between the Effective Date and the Closing Date, and upon reasonable advance notice received from Purchaser, Seller shall afford Purchaser and its agents reasonable access to the Business to facilitate the transition of the Business operations from Seller to Purchaser. Purchaser shall not unreasonably interfere with the operations of the Business. In the event of the termination of this Agreement, all of Seller’s information shall remain confidential and not be used by Purchaser, its officers, directors, employees or agents, and all copies thereof shall be returned to Seller.

28. Licenses. Should Seller receive notice or become aware of any adverse actions or deficiencies in the maintenance of Seller's license, Seller's Home Health Provider Numbers and Agreements, Seller's accreditation, or any other license or certification necessary to operate the Business, Seller shall provide Purchaser with written notice within five (5) days of its receipt of such notices. Notwithstanding the foregoing, Purchaser shall be solely responsible for the operation by Purchaser of the Business after the Closing Date and any liabilities of Purchaser or the Business which arise out of Purchaser's operation of the Business after the Closing Date.

29. Allocation of Purchase Price. Seller and Purchaser agree to allocate the Purchase Price (and all other relevant amounts) among the Assets in accordance with the provisions of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code") and as set forth in Exhibit C attached hereto. Such allocation shall be binding on Seller and Purchaser and Seller and Purchaser shall use such allocation in satisfying any and all reporting requirements of the Internal Revenue Service ("IRS") and any state, local, or other taxing authority. Purchaser and Seller also each agree to file IRS Form 8594 in accordance with Section 1060 of the Code.

30. Miscellaneous Provisions.

(a) Notices; Demands; Requests. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile with confirmation of transmission by the transmitting equipment, (c) received by the addressee, if sent by certified mail, return receipt requested, or (d) received by the addressee, if sent by a nationally recognized overnight delivery service, in each case to the appropriate addresses or facsimile numbers set forth below (or to such other addresses or facsimile numbers as a party may designate by notice to the other parties):

As to Seller: Craven County Board of Commissioners
Attn.: Jack Veit, County Manager
406 Craven Street
New Bern, North Carolina 28560

With a copy to Jimmie B. Hicks, Jr.
(which shall not Sumrell Sugg Carmichael Hicks & Hart, P.A.
constitute notice): P.O. Box 889
New Bern, North Carolina 28563

As to Purchaser: PruittHealth Home Health, Inc.
Attn: Legal Department
1626 Jeurgens Court
Norcross, GA 30093

With a copy to Nelson Mullins Riley & Scarborough LLP
(which shall not Attn: Franklin Scott Templeton
constitute notice): 380 Knollwood – Suite 530

Winston-Salem, NC 27103

Any such addresses may be changed at any time upon written notice of such change sent by the means stated above, to the other party by the party effecting the change.

(b) Severability. If any one or more of the agreements or provisions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, the invalidity of such covenants, agreements, and provisions shall in no way affect the validity or effectiveness of the remainder of this Agreement, and this Agreement shall continue in force to the fullest effect permitted by law.

(c) State Law Controlling; Exclusive Venue. This Agreement shall be construed and enforced in accordance with the substantive laws of the State of North Carolina, without regard to conflict of interest principles. Exclusive venue for any action, whether at law or in equity, shall be Craven County, North Carolina.

(d) Successors; Assignment. This Agreement shall be binding upon and inure to the benefit of the legal representatives, successors, and permitted assigns of the parties. Neither party may assign this Agreement without the prior written consent of the other.

(e) Entire Agreement. This Agreement and the other agreements between the parties referenced herein constitute the entire agreement between the parties with respect to the subject matter hereof, and may not be changed, modified, or amended, except by an instrument in writing signed by the party against whom such change, modification, or amendment is asserted.

(f) Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

(g) Execution of Agreement; Counterparts. This Agreement may be executed and delivered in one or more counterparts (including, without limitation, by electronic, imaged or facsimile signatures and transmission), each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[SIGNATURE PAGE(S) FOLLOW]

IN WITNESS WHEREOF, the duly authorized officers of the parties hereof have executed this Agreement as of the date first written above.

SELLER:

CRAVEN COUNTY,
a North Carolina body politic and corporate

By: _____
Name: Mark F. Thomas
Its: Chairman of the Board of Commissioners

This Agreement has been reviewed as to legal form and adequacy.

By: _____
Name: Jimmie B. Hicks, Jr.
Its: County Attorney

The terms of this Agreement are in compliance with the requirements of the Local Government Fiscal Control Act.

By: _____
Name: Richard Hemphill
Its: County Finance Officer

PURCHASER:

By: _____
Name:
Its:

List of Exhibits and Schedules

Exhibits

| | |
|-----------|-------------------------|
| Exhibit A | Form of Bill of Sale |
| Exhibit B | Form of Lease Agreement |
| Exhibit C | IRS Asset Allocation |

Schedules

| | |
|----------------|-----------------------------|
| Schedule 1 | Excluded Assets |
| Schedule 1(b) | Contracts and Agreements |
| Schedule 1(c) | Furniture and Equipment |
| Schedule 18(c) | Notices and Consents |
| Schedule 18(f) | Governmental Authorizations |
| Schedule 18(k) | Conflicts |
| Schedule 18(p) | Non-Duplicative Services |

EXHIBIT A

BILL OF SALE AND ASSIGNMENT

Attached.

NORTH CAROLINA

**BILL OF SALE, ASSIGNMENT AND
ASSUMPTION AGREEMENT**

CRAVEN COUNTY

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is entered into and made effective as of the ___ day of September, 2014 (the "Effective Date'") by and between CRAVEN COUNTY, a North Carolina body politic and corporate ("Seller") and PRUITTHEALTH HOME HEALTH, INC., a Georgia corporation ("Purchaser").

RECITALS:

A. Seller and Purchaser are parties to that certain Asset Purchase Agreement dated September ___, 2014 (the "Asset Purchase Agreement"). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Asset Purchase Agreement.

B. Pursuant to the Asset Purchase Agreement, Seller has agreed to assign, transfer, sell and convey to Purchaser, and Purchaser has agreed to purchase, accept and assume from Seller, all of Seller's right, title, interests and obligations to and under the Assets other than the Excluded Assets.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and Purchaser agree as follows:

1. Transfer and Conveyance. On the terms and subject to the conditions, representations, warranties, covenants and indemnities contained in the Asset Purchase Agreement, Seller hereby sells, conveys, assigns, transfers, grants, bargains, and delivers to Buyer, free and clear of all pledges, security interests, mortgages, liens and encumbrances, and Buyer hereby accepts and assumes from Seller, all legal, beneficial and other rights, title, benefit, privileges, and interest in and to the Assets. **TO HAVE AND TO HOLD** the Assets unto Purchaser, its successors and assigns, forever, and Seller does hereby bind itself and its successors and assigns to warrant and forever defend, all and singular, title to the Assets unto Purchaser, its successors and assigns against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Purchaser.

2. Seller Liabilities. Seller shall remain liable and discharge all Retained Liabilities. Notwithstanding anything contained herein or in the Asset Purchase Agreement to the contrary, the Excluded Assets (and all liabilities and obligations thereunder) are not subject to this Agreement and shall be retained by Seller following the Closing Date.

3. Binding Effect. This instrument shall inure to the benefit of Purchaser and its successors and assigns and shall be binding upon Seller and its successors and assigns.

4. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute a single instrument.

5. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of North Carolina, without regard to its conflict of law principles.

6. Conflicting Terms. Notwithstanding anything herein to the contrary, the provisions of this Agreement shall be subject to the provisions of the Asset Purchase Agreement, and to the extent they are inconsistent, the provisions of the Asset Purchase Agreement shall be controlling.

IN WITNESS WHEREOF, this Assignment has been duly executed and delivered as of the Effective Date.

**SELLER:
CRAVEN COUNTY**

By: Thomas F. Mark, Chairman

Date Signed: _____

ATTEST:

Gwendolyn Bryan, Clerk

[SEAL]

**PURCHASER:
PRUITTHEALTH HOME HEALTH, INC.**

By: _____

Its: _____

Date Signed: _____

ATTEST:

_____, Secretary

[SEAL]

EXHIBIT B
LEASE AGREEMENT

Attached.

CRAVEN COUNTY

THIS LEASE is effective as of _____, 2014 (the "Effective Date") by and between Craven County, a North Carolina body politic and corporate (hereinafter referred to as "LANDLORD"), and PruittHealth Home Health, Inc., a Georgia corporation (hereinafter referred to as "TENANT").

WITNESSETH:

In consideration of the payment of rental hereinafter agreed to be paid and the covenants, promises, acts, and things to be done and performed by the parties hereto, one with the other, at the times and in the manner hereinafter set forth, LANDLORD hereby leases unto TENANT approximately 452 square feet of office space identified as Room 170 and its adjoining closet (the "Premises"), located at 2818 Neuse Boulevard in New Bern, North Carolina (the "Building"), and is depicted in Attachment A.

- 1.0 TERM: The term of this Lease shall be for a period of one (1) year, beginning on the Effective Date and ending at 11:59:59 p.m. on the day before the first anniversary of the Effective Date. Notwithstanding the term of this Lease, TENANT shall have the right to terminate, without penalty, upon providing of not less than thirty (30) days prior written notice. Notwithstanding the foregoing, in the event that this Lease is terminated during the first year of its term, the parties will not enter into a substantially similar lease during the year following the Effective Date.
- 2.0 RENTAL: TENANT shall pay LANDLORD without notice or demand during the term of this Lease payable in advance on the first day of each month during the term of this Lease as follows:

Months 1-12 -- \$500.00 per month

Rental payments received after the 10th day of the month shall have a late fee of \$5.00 per day added from the due date. Any check issued by TENANT returned marked Non-Sufficient Funds (NSF) will have a service fee charged of \$50.00. Rent will be paid to Craven County, Attn.: Finance Department, 406 Craven Street, New Bern, North Carolina 28560.

- 3.0 USE AND OCCUPANCY: TENANT agrees to use said Premises to operate the administrative office of its home health agency licensed to provide home health and related services in Craven County, North Carolina, and for no other purpose except with the written consent of LANDLORD.

The Premises are leased to TENANT subject to all zoning restrictions and all ordinances, and all building restrictions and regulations adopted by any governmental authority

having jurisdiction which may now or hereafter affect the Premises; and TENANT agrees that it will make no unlawful or offensive use of the Premises and will use and maintain any equipment, appliances, or apparatus therein or thereon in accordance with the laws, ordinances and requirements of any such governmental authority affecting the same.

4.0 ANCILLARY SERVICES: LANDLORD shall provide to TENANT:

- 4.1 Use of phone system, but at Tenant's expense
- 4.2 Phone system support for troubleshooting and system changes
- 4.3 HVAC maintenance, replacement, and repairs
- 4.4 Utilities
- 4.5 Pest Control
- 4.6 Waste Management
- 4.7 Lawn and landscape management
- 4.8 Parking lot maintenance and snow removal
- 4.9 Fire Extinguisher Maintenance
- 4.10 Janitorial services to include all paper and soap products
- 4.11 Shredding Services
- 4.12 Fire Alarm Monitoring Services
- 4.13 Access, on a reservation basis, to reasonable use of meeting rooms 163, 164 and 191.

5.0 TAXES: To the extent assessed on the Premises, LANDLORD shall be responsible for all real estate ad valorem taxes.

6.0 REPAIRS: LANDLORD shall be responsible for and shall keep the roof, outside walls, gutters, and downspouts in a good state of repair and shall be responsible for any damage sustained by TENANT resulting from any defects in the outer walls, roof, gutters, and downspouts. If after ten (10) calendar days following notice by TENANT of any defects in the outer walls, roof, gutters, and downspouts have not been repaired and that impact TENANT'S use of the Premises, TENANT may arrange for needed repairs and abate the next rent payments) in the amount of the said repair.

6.1 LANDLORD agrees to make ALL repairs and replacements required to maintain the heating and air conditioning systems, however, LANDLORD shall not be responsible for any repairs necessitated by the negligent or willful acts of TENANT, its agents, servants, employees or business invitees.

6.2 LANDLORD shall be responsible for the coordination and payment for repairs to common areas, driveways, sidewalks, building mounted exterior lighting, parking lot expenses, management costs, and shall be responsible for snow removal from the parking areas.

7.0 GLASS: TENANT shall, if caused by negligent actions of TENANT, its agents, servants, employees or business invitees, be liable for any damage to or breakage of glass on the Premises occurring during the term of this Lease or any extension thereof, and agrees that it shall promptly replace any such broken glass at its own cost and expense. TENANT may procure glass insurance for the Premises. LANDLORD shall be liable for

other damage to or breakage of glass on the Premises occurring during the term of this Lease or any extension thereof if such damage or breakage is not due to the negligent actions as noted above.

8.0 ALTERATIONS AND IMPROVEMENTS: TENANT shall not make any improvements, alterations, or additions to the Premises except upon written consent and approval of LANDLORD, which consent shall not be unreasonably withheld. Any such improvements, alterations, or additions shall be and become the property of LANDLORD provided, however, LANDLORD may, at its option, except for improvements authorized and consented to by LANDLORD, require TENANT to remove such improvements, alterations, or additions and restore the Premises as same as existed at the beginning of the term of this Lease, normal wear and tear excepted.

9.0 SIGNS: TENANT acknowledges that it may not affix identification or logo signage, to the exterior of the Building and that identification signage may only be placed in the interior; provided, however, such signage and the location at which such signage will be affixed must be approved in advance by LANDLORD, which approval shall not be unreasonably withheld.

10.0 INSURANCE: LANDLORD shall be responsible for and shall carry fire, casualty, and extended coverage insurance insuring the Premises. LANDLORD shall have no obligation to insure any property or equipment of TENANT and TENANT shall procure and maintain at its expense throughout the term of this Lease a policy or policies of commercial property insurance, issued on an "all risks" basis, and insuring the full replacement cost of its furniture, equipment, supplies, and other property owned, leased, held, or possessed by it and contained in the Premises. TENANT also shall procure and maintain at its expense throughout the term of this Lease, a policy or policies of commercial general liability insurance, insuring TENANT and LANDLORD against any and all liability for injury to or death of a person or persons and for damage to property occasioned by or arising out of the condition, use, or occupancy of the Premises, or in any way occasioned by or arising out of the activities of TENANT, its agents, contractors, employees, or guests in the Premises. LANDLORD and TENANT each shall have included in all policies of insurance respectively obtained by them a waiver by the insurer of all rights of subrogation against the other in connection with any loss or damage thereby insured against. To the full extent permitted by law, each of LANDLORD and TENANT waives all right of recovery against the other for, and agrees to release the other from liability for, loss or damage to the extent that such loss or damage is covered by valid and collectible insurance in effect at the time of such loss or damage, and the proceeds of such insurance are actually collected. TENANT will not do, suffer or permit anything to be done in or about the Premises that will affect, impair or contravene any policies of insurance against the loss or damage by fire, casualty or otherwise that may be placed thereon by LANDLORD.

11.0 FIRE OR OTHER CASUALTY: It is understood and agreed that in the event said Premises shall be totally destroyed by fire or other casualty or cause, or shall be

damaged as to become untenable, the tenancy shall terminate. If the damage to the Premises is of such nature that same can be repaired within ninety (90) days from the date of said fire or casualty, LANDLORD'S insurance proceeds shall restore the damaged Premises provided, however, that during the period of such restoration, the rental of TENANT shall be abated in proportion to the part of the Premises so damaged and made untenable. If the Premises are so damaged that same cannot be restored within ninety (90) days LANDLORD may intervene to restore the Premises to LANDLORD and TENANT'S MUTUAL satisfaction so that Lease may resume and recommence. If the Premises are so damaged that restoration and satisfaction therefrom cannot be completed within ninety (90) days from date of destruction, then TENANT may, at its option, terminate this Lease.

11.1 If the parties cannot agree as to the date of the fire or other casualty or the extent of the damage and time for restoration or any other fact arising from any fire or other casualty, LANDLORD shall select a representative, and TENANT shall select a representative, and the two so selected representatives shall select a third representative; and the decision of any two of the three so selected representatives shall be binding and conclusive upon the parties hereto; and the payment of the so selected representatives shall be paid one-half by LANDLORD and one-half by TENANT.

12.0 HAZARDOUS SUBSTANCES:

12.1 **Definition of Hazardous Material.** "Hazardous Material" means polychlorinated biphenyls, petroleum, flammable explosives, radioactive materials, asbestos, formaldehyde, radon gas, lead-based paint, black/toxic mold, fuel, chemical storage tanks, and any contaminated soil or water, or any other hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the environmental laws or listed as such by the Environmental Protection Agency. "Environmental Laws" means any current or future governmental law, regulation or ruling applicable to the environmental conditions on, under or about the leased property including, without limitation, the Comprehensive Environmental Response, Toxic Substances Control Act and the Clean Water Act.

12.2 Responsibility of LANDLORD to TENANT.

- a) LANDLORD warrants and represents that it is unaware of any "Hazardous Material," as specifically defined in Section 12.1., existing in, on or under the demised Premises on the date the Lease is signed by TENANT.
- b) LANDLORD warrants and represents that any use, storage treatment, or transportation of Hazardous Material that has occurred in or on the Premises prior to the date hereof and during the term of any previous tenancy has been in compliance with all applicable federal, state, and local laws, regulations and ordinances. LANDLORD additionally warrants and

represents that no release, leak, discharge, spill, disposal, or emission of Hazardous Material has occurred in, on or under the Premises during any previous tenancy.

- c) LANDLORD further warrants and represents that, from the date the Lease is signed by TENANT through the term of the Lease, if either LANDLORD or TENANT discovers Hazardous Material existing in, on or under the demised Premises which can reasonably be attributable to: (a) a previous tenant, (b) a building defect caused by faulty design, construction or maintenance, or (c) any other event over which TENANT has no control, then LANDLORD will bear responsibility for remediation of Hazardous Material so discovered not attributable to TENANT.
- d) LANDLORD will further indemnify and hold TENANT harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses including, without limitation, any and all sums paid for settlement of claims, attorney fees, consultant and expert fees, arising from Hazardous Material discovered not attributable to TENANT.
- e) LANDLORD has ten (10) calendar days within which to arrange for needed repair or remediation if TENANT makes notice of discovery to LANDLORD. If after ten (10) calendar days LANDLORD has not arranged for needed repair or remediation, TENANT may make the arrangements and abate future rent payment(s) by the amount of the repair or remediation.
- f) LANDLORD has ten (10) calendar days within which to notify TENANT if LANDLORD discovers Hazardous Material.

12.3 Responsibility of TENANT to LANDLORD.

- a) TENANT shall not cause or permit any Hazardous Material to be used, stored, generated or disposed of on or in the Premises by TENANT, TENANT'S agents, employees, contractors, or invitee without first obtaining LANDLORD'S written consent. If Hazardous Material as used, stored, generated, or disposed of on or in the Premises except as permitted above, or if the Premises becomes contaminated in any manner for which TENANT is legally liable, TENANT shall indemnify and hold harmless LANDLORD from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, a decrease in the value of the Premises, damages caused by loss or restriction of rentable or useable space, and any and all sums paid for settlement of claims, attorney fees, consultant, and expert fees) arising during or after the lease term and arising as a result of that contamination by TENANT.
- b) This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state or local agency or

political subdivision. Without limitation of the foregoing, if TENANT causes or permits the presence of any Hazardous Material on the Premises and that results in contamination, TENANT shall promptly, at its sole expense, take any and all necessary actions to return the Premises to the condition existing prior to the presence of any such Hazardous Material on the Premises. TENANT shall first obtain LANDLORD'S approval for any such remedial action.

- c) TENANT agrees to indemnify and hold LANDLORD harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for settlement of claims, attorney fees, consultant, and expert fees) arising during or after the term of the lease from or in connection with the presence or suspected presence of Hazardous Material in or on the Premises resulting from contamination of the Premises by TENANT at any time during any term of this Lease or a previous lease by TENANT of the same Premises.

12.4 **Corrective Action.** If LANDLORD or LANDLORD'S representatives shall detect any violation of the provisions of Section 12.0, including the presence of any contamination of soil or groundwater caused by TENANT'S use of Hazardous Material, LANDLORD shall notify TENANT of such violation, and TENANT shall take immediate steps to correct such violation.

If, in LANDLORD'S judgment, steps taken by TENANT are inadequate or untimely, LANDLORD or its representative shall be entitled to enter the Premises and take whatever corrective action LANDLORD deems necessary to correct the violation. TENANT hereby agrees to indemnify and hold LANDLORD harmless from any costs, expenses, or liabilities resulting from LANDLORD'S exercise of its rights under Section 12.0.

12.5 **Inspection of Premises.** During the term of the Lease, LANDLORD or its representatives shall have the right, but not the obligation, to enter the Premises at all reasonable times for the purposes of inspecting and determining TENANT'S compliance with the provisions of Section 12.0. Such inspections may include any testing which does not unduly interfere with TENANT'S business.

12.6 **Survival.** The provisions of this Section 12 shall survive the expiration or termination of this Lease.

13.0 INDEMNIFICATION:

13.1 TENANT shall, during the term of this Lease, hold and save harmless LANDLORD against any and all claims, suits, judgments, damages and liability to person or persons, whether in the employment of TENANT or the public, for property or personal damages, or both, arising out of any cause or condition incident to and connected with the Premises used and occupied by TENANT and caused by the negligence of TENANT, its employees, agents, or the public.

13.2 LANDLORD shall, during the term of this Lease, hold and save harmless TENANT against any and all claims, suits, judgments, damages and liability to person or persons, whether in the employment of LANDLORD or the public, for property or personal damages, or both, arising out of any cause or condition incident to and connected with premises used and occupied by LANDLORD and caused by the negligence of LANDLORD, its employees, agents, or the public.

14.0 TERMINATION AND SURRENDER: TENANT agrees that at the termination of this Lease, or upon any sooner termination provided herein, to surrender the Premises hereby demised in as good order and condition as the said Premises are at the beginning of the term of this Lease, ordinary wear and tear and improvements made with LANDLORD'S consent excepted. It is specifically agreed that upon the termination of this Lease, TENANT may remove its property and equipment provided all rentals due have been paid and all conditions and obligations required of TENANT under the Lease have been met and provided further that TENANT shall be liable and responsible for any damage occasioned by the removal of any of its property and equipment and shall restore the Premises to as good order and condition as the Premises existed at the time TENANT took possession of same, ordinary wear and tear and improvements made with LANDLORD'S consent excepted.

15.0 SUBORDINATION. ATTORNMENT AND NONDISTURBANCE.

15.1 TENANT agrees that this Lease Agreement shall be subordinate to any mortgage now or hereafter encumbering the Premises or the Building or any component thereof, and to all advances made or hereafter to be made upon the security thereof. The terms of this provision shall be self-operative and no further instrument of subordination shall be required. TENANT, however, upon request of any party in interest, shall execute promptly such instrument or certificates as may be reasonably required to carry out the intent hereof, whether said requirement is that of LANDLORD or any other party in interest, including, without limitation, mortgagees.

15.2 If any mortgagee elects to have this Lease superior to its mortgage and signifies its election in the instrument creating its lien or by separate recorded instrument, then this Lease shall be superior to such mortgage. The term "mortgage" as used herein, includes any deed to secure debt, deed of trust or security deed and any other instrument creating a lien in connection with any other method of financing or refinancing. The term "mortgagee" refers to the holder of the indebtedness secured by a mortgage.

15.3 Within ten (10) days after request therefore by LANDLORD, TENANT agrees to execute and deliver to LANDLORD in recordable form an estoppel certificate prepared by LANDLORD and addressed to any mortgagee or assignee of LANDLORD'S interest in, or purchaser of, the Premises or the Building or any part thereof, certifying (if such be the case) that this Lease Agreement is unmodified and is in full force and effect (and if there have been modifications,

that the same is in full force and effect as modified and stating said modifications); that there are no defenses or offsets against the enforcement thereof or stating those claimed by TENANT; and stating the date to which rent and other charges have been paid. Such certificate shall also include such other information as may reasonably be required by such mortgagee, proposed mortgagee, assignee, purchaser or LANDLORD.

- 15.4 In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage covering the Premises or the Building, TENANT shall attorney to the purchaser at foreclosure or under power of sale, or to the assignee or transferee of LANDLORD'S interest, as the case may be, and shall recognize such person as LANDLORD under this Lease, provided such purchaser, assignee or transferee shall agree in writing to discharge LANDLORD'S obligations hereunder. TENANT agrees that the institution of any suit, action or other proceeding by any mortgagee to realize on LANDLORD'S interest in the Premises or the Building pursuant to the powers granted to a mortgagee under its mortgage, shall not, by operation of law or otherwise, result in the cancellation or termination of the obligations of TENANT hereunder. LANDLORD and TENANT agree that notwithstanding that this Lease is expressly subject and subordinate to any mortgages, any mortgagee, its successors and assigns, or other holder of a mortgage or of a note secured thereby, LANDLORD may sell the Building, in the manner provided in the mortgage and may, at the option of such mortgagee, its successors and assigns, or other holder of the mortgage or note secured thereby, make such sale of the Building subject to this Lease.
- 15.5 Notwithstanding any contrary provisions of this Lease, as a condition to the subordination and attornment provisions of this Article 15, so long as TENANT shall discharge its obligations under this Lease, its tenancy and possession shall not be disturbed nor shall this Lease be affected by any default under any mortgage or other instrument creating a lien on any or all of the Building or the Premises or any portion thereof, and in the event of any foreclosure or enforcement of such mortgage or other instrument, the rights of TENANT hereunder shall survive and this Lease shall in all respects continue in full force and effect.
- 15.6 Further, LANDLORD represents and warrants that nothing in any such mortgage or other lien to which this Lease is or may be subordinated adversely affects or will adversely affect the rights of TENANT in this Lease or its use and enjoyment of the Premises so long as TENANT is not in default under this Lease.
- 16.0 QUIET ENJOYMENT: LANDLORD hereby covenants that it has the right to lease such premises for the term of this Lease and that TENANT, upon payment of the rent herein stipulated and the performing and observing of obligations, terms and conditions imposed upon it hereunder, shall have the quiet and peaceful possession of said premises for and during the term of this Lease.

- 17.0 ASSIGNMENT: This Lease may not be assigned or sublet without the written consent of LANDLORD, which consent shall not be unreasonably withheld.
- 18.0 INSPECTION: TENANT shall allow LANDLORD or its agent to enter upon the Premises or any part thereof at any reasonable and convenient time for the purpose of examining and inspecting the same and for the making of any repairs or improvements which are necessary or required to be made by LANDLORD. LANDLORD or its agent may exhibit the Premises to prospective tenants at reasonable times.
- 19.0 BANKRUPTCY: If TENANT shall be adjudicated as bankrupt, make a general assignment for the benefit of creditors, take the benefit of any insolvency act, state or federal, wherein a permanent receiver or trustee in Bankruptcy shall be appointed for TENANT or in the event of any reorganization by TENANT under Chapter 11 of the Federal Bankruptcy Act, LANDLORD may, at its option, declare this Lease terminated and cancelled and take possession of the Premises.
- 20.0 NOTICE: Any notice herein provided by either party shall be deemed to be given two days after being posted in the United States registered or certified mail, postage prepaid, or sent by a nationally recognized over night carrier, and if for LANDLORD, shall be addressed to:

Craven County Board of Commissioners
Attn.: Jack Veit, County Manager
406 Craven Street
New Bern, North Carolina 28560

and, if for TENANT, shall be addressed to:

PruittHealth Home Health, Inc.
ATTN: Legal Department
1626 Jeurgens Court
Norcross, GA 30093

Or to such other address as either party shall furnish to the other in writing as a place for service of notice.

- 21.0 HOLDING OVER: In the event TENANT continues to occupy the Premises after the expiration of the term hereof, whether with or without the consent of LANDLORD, such tenancy shall be from month to month and in no event from year to year or from term to term, and such month to month tenancy shall be at the same monthly rental paid hereunder immediately prior to such expiration and upon all of the other terms, covenants and conditions of this Lease.
- 22.0 CONDEMNATION: If the Premises shall be taken or condemned by any competent authority for any public use or purpose during the term of this Lease, TENANT may

terminate this Lease at the time when the possession of the Premises shall be required by the condemning authority.

- 23.0 DEFAULT: If TENANT fails to pay any rental due hereunder or if TENANT defaults in fulfilling any of the covenants of this Lease, LANDLORD may give TENANT notice thereof. If such default is not remedied within thirty (30) days following such notice, all of TENANT'S rights under this Lease shall terminate and TENANT shall immediately quit and surrender the Premises to LANDLORD, but TENANT shall continue to be liable for the payment of rent and other sums hereunder.
- 24.0 WAIVER: No provision of this Lease shall be deemed to have been waived unless such waiver is in a writing signed by LANDLORD. No payment by TENANT or receipt by LANDLORD of a lesser amount than the monthly rent shall be deemed to be other than on account of the earliest rent then unpaid nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed accord and satisfaction and LANDLORD may accept such check or payment without prejudice to LANDLORD'S right to recover the balance of such rent or pursue any other remedy in this Lease.
- 25.0 OTHER REMEDIES: In the event of a breach by TENANT of any of the covenants or provisions hereof, LANDLORD shall have, in addition to any other remedies which it may have, the right to invoke any remedy allowed at law or in equity to enforce LANDLORD'S rights or any of them, as if re-entry and other remedies were not herein provided for.
- 26.0 BINDING EFFECT: This Lease shall be binding upon the parties hereto, their successors and assigns.
- 27.0 DELIVERY: This Lease may be executed and delivered simultaneously and by facsimile or other electronic means and in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 28.0 PARKING: LANDLORD shall provide TENANT with access to at least 5 undesignated parking spots in the parking lots adjacent to and associated with the Building, which lots are available to the Building tenants and visitors on an "as available" basis.

[Signature page(s) follows]

**LANDLORD:
CRAVEN COUNTY**

By: _____
Thomas F. Mark, Chairman

ATTEST: Date Signed: _____

Gwendolyn Bryan, Clerk

[SEAL]

**TENANT:
PRUITTHEALTH HOME HEALTH, INC.**

By: _____
Its: _____

ATTEST: Date Signed: _____

_____, Secretary

[SEAL]

ATTACHMENT A
PREMISES DESCRIPTION

Attached.

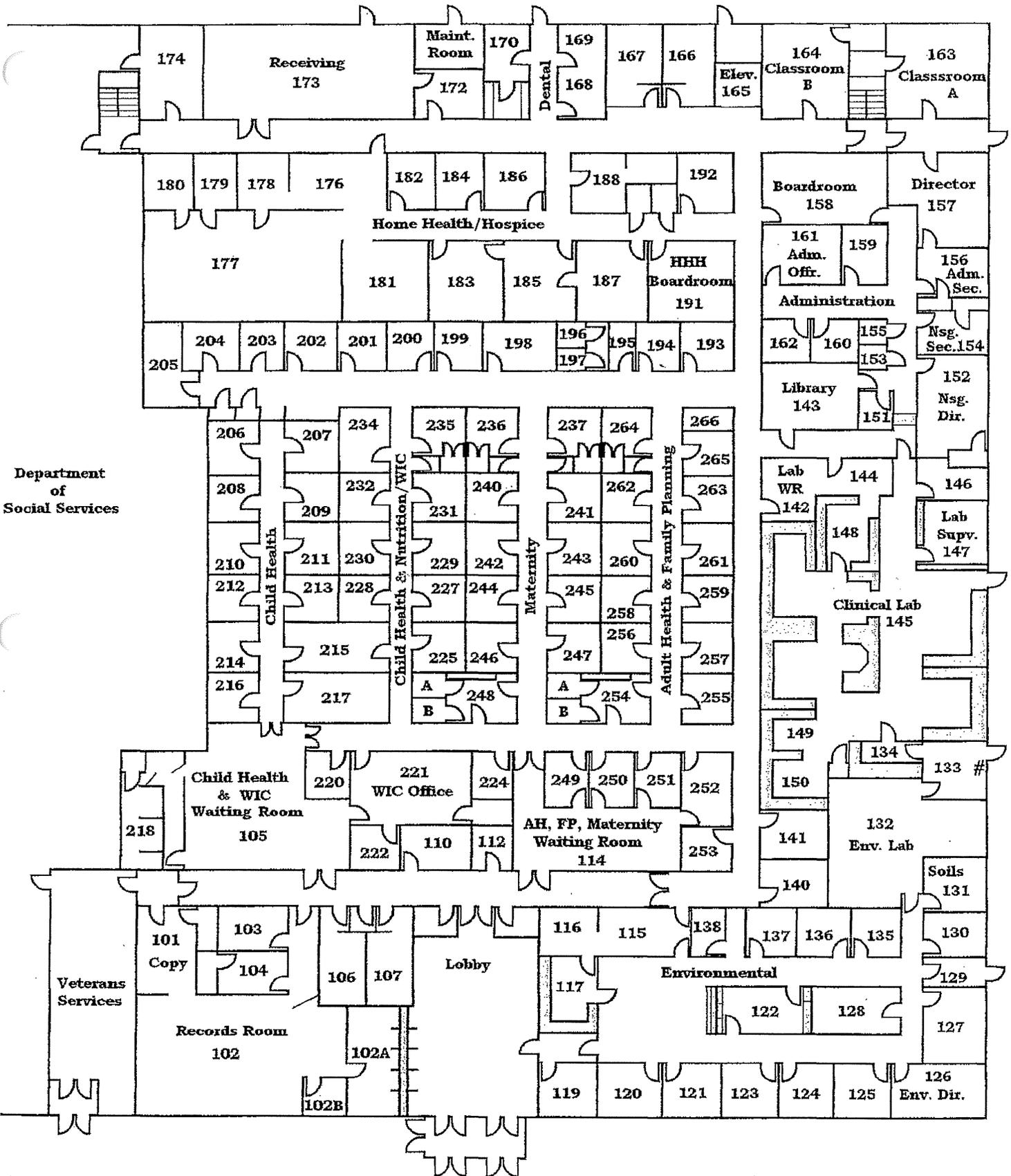


EXHIBIT C

IRS ASSET ALLOCATION

| Tax Allocation - Form 8594 | |
|-----------------------------------|-----------|
| Class I Assets: Cash | |
| Class II Assets: CDs and Stock | |
| Class III Assets: Mark-to-Market | |
| Class IV Assets: Inventory | |
| Class V Assets: All Other Assets | |
| Class VI Assets: 197 Intangibles | |
| Class VII Assets: Goodwill | |
| TOTAL PURCHASE PRICE | \$ |

SCHEDULE 1

EXCLUDED ASSETS

1. Seller's accounts receivable, cash, and cash equivalents owned by Seller associated with the Business, except as may be set forth in Section 13 of the Agreement.
2. Seller's bank accounts, except as may be set forth in Section 13 of the Agreement.
3. Seller's prepayments and deposits and proceeds from insurance cancellations.
4. Seller's furniture, furnishings, and equipment, except for in-stock and any trunk stock patient-related medical supplies and on-hand office supplies.
5. Seller's real or personal property used in the operation of the Business.
6. Seller' s motor vehicles.
7. All written and oral agreements and contracts of Seller related to the Assets or the Business other than those agreements and contracts, if any, that Purchaser, in its sole and absolute discretion, elects to assume (and to require Seller to assign) at Closing.
8. Seller's books, taxpayer numbers, and other documents relating to the organization, maintenance, and existence of Seller as a body politic and corporate.
9. The Retained Liabilities.

SCHEDULE 1(b)

CONTRACTS AND AGREEMENTS

None.

SCHEDULE 1(c)

FURNITURE AND EQUIPMENT

None.

Provided however, Seller shall make all of its furniture and equipment utilized by it in relation to the Home Health Agency available to the Purchaser during any Change in Ownership process until such time as the CMS issues its "Tie-In Letter."

SCHEDULE 18(c)

NOTICES AND CONSENTS

1. A determination by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section, that Seller's sale, and Purchaser's acquisition, of the Assets is exempt from Certificate of Need review.

2. Agreement to and confirmation from the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Acute and Home Care Licensure and Certification Section ("AHCLCS"), of the separation of the hospice and home health services onto two separate licenses, and issuance of those licenses.

3. Written notice to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Acute and Home Care Licensure and Certification Section ("AHCLCS"), in the manner prescribed by AHCLCS, of a contemplated licensure change of ownership (for the home health license).

4. Written notice to CMS, in the manner prescribed by CMS, of a contemplated change of ownership pursuant to 42 C.F.R. § 489.18.

SCHEDULE 18(f)

GOVERNMENTAL AUTHORIZATIONS

1. North Carolina Home Health License: HC0493
2. North Carolina CLIA Certificate of Waiver: 34D0859662
3. Medicaid Provider Number: 3407026 (If transferable)
4. Medicare Provider Number: 34-7026
5. National Provider Identifier: 1366448961

SCHEDULE 18(k)

CONFLICTS

1. A determination by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section, that Seller's sale, and Purchaser's acquisition, of the Assets is exempt from Certificate of Need review.

2. Agreement to and confirmation from the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Acute and Home Care Licensure and Certification Section ("AHCLCS"), of the separation of the hospice and home health services onto two separate licenses, and issuance of those licenses.

3. Written notice to the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Acute and Home Care Licensure and Certification Section ("AHCLCS"), in the manner prescribed by AHCLCS, of a contemplated licensure change of ownership (for the home health license).

4. Written notice to CMS, in the manner prescribed by CMS, of a contemplated change of ownership pursuant to 42 C.F.R. § 489.18.

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

Attachment #9.

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|---|----------------------|----------|
| ANDERSON, GERALD L FORECLOSURE-LIEN EXTINGUISHED | 0132750 2014-0001246 | 59.10 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2005-0001776 | 110.90 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2006-0001779 | 105.37 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2007-0001866 | 101.11 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2008-0001917 | 95.47 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2009-0001915 | 90.30 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2010-0094405 | 87.42 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2011-0002017 | 82.79 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2012-0002002 | 76.57 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2013-0001947 | 70.07 |
| ATTMORE, GEORGE & PEARL HRS FORECLOSURE-LIEN EXTINGUISHED | 0039991 2014-0002071 | 60.77 |
| BARFIELD, GAIL S FORECLOSURE-LIEN EXTINGUISHED | 0356300 2014-0002951 | 138.19 |
| BASS, CHRISTOPHER S INCORRECT SITUS-TO BE REBILLED | 0072502 2014-0003376 | 135.45 |
| BLAND, ANDREW M & MITZI R INCORRECT BILLING - TO BE REBILLED | 0059628 2014-0005139 | 1,167.42 |

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|---|----------------------|--------|
| BRAXTON, JESSE F DOUBLE BILLED -SEE ACCT 92158 | 0781700 2014-0006316 | 664.58 |
| BROWN, LAURETTE E INCORRECT BILLING-SEE ACCT 102481 | 0087106 2014-0007198 | 347.36 |
| BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED | 0003491 2014-0007440 | 57.38 |
| BUCKL, WERNER A & MARY JO INCORRECT SITUS-TO BE REBILLED | 0039722 2014-0007917 | 359.93 |
| CAMPBELL, ARMESTER LEE DID NOT OWN MOBILE HOME 1/1/2014 | 1113750 2014-0008720 | 41.37 |
| CAMPBELL, ARMESTER LEE DISCOVERY BILLING CORRECTION | 1113750 2014-0090169 | 220.61 |
| CAPPS, KENNETH L & SUSAN K DID NOT OWN 1/1/14 | 0050884 2014-0008988 | 133.74 |
| CHURCH-GUILFIELD MISSIONARY BA EXEMPT PER GS 105-278.3 | 0099356 2014-0010499 | 199.48 |
| CHURCH-GUILFIELD MISSIONARY BA EXEMPT PER GS 105-278.3 | 0099356 2014-0010500 | 47.92 |
| CHURCH-MACEDONIA MISSIONARY BA EXEMPT PER GS 105-278.3 | 0099249 2014-0010514 | 131.63 |
| CHURCH-SHABACH AME ZION EXEMPT PROPERTY PER GS 105-278.2 | 0098882 2014-0010537 | 244.38 |
| CHURCH-UNION BAPTIST TRUSTEES EXEMPT PER GS 105-278.3 | 0029324 2014-0010559 | 67.04 |
| CLARITY COMMUNICATIONS GROUP I LISTING AMOUNT CORRECTION | 0100099 2014-0010665 | 66.82 |
| CORONA-ZAMACONA, MA ANGELICA DID NOT OWN 1/1/2010 | 0083997 2010-0058162 | 166.62 |

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|---|----------------------|--------|
| CORONA-ZAMACONA, MA ANGELICA DID NOT OWN 1/1/2011 | 0083997 2011-0012251 | 150.02 |
| CORONA-ZAMACONA, MA ANGELICA DID NOT OWN 1/1/2012 | 0083997 2012-0012129 | 125.46 |
| CORONA-ZAMACONA, MA ANGELICA DID NOT OWN 1/1/2013 | 0083997 2013-0011829 | 193.83 |
| CRAVEN COUNTY & NEW BERN-CITY EXEMPT PROP.COUNTY & CITY OWNED | 0097563 2014-0012636 | 36.00 |
| CRAVEN COUNTY & NEW BERN-CITY EXEMPT PROP-COUNTY & CITY OWNED | 0097563 2014-0012637 | 36.00 |
| CRAVEN COUNTY & NEW BERN-CITY EXEMPT PROP. COUNTY & CITY OWNED | 0097563 2014-0012638 | 36.00 |
| CRAVEN COUNTY & NEW BERN-CITY EXEMPT PROP. COUNTY & CITY OWNED | 0097563 2014-0012639 | 36.00 |
| CROUELL, CHUNDRA FORECLOSURE-LIEN EXTINGUISHED | 0011806 2014-0013002 | 565.72 |
| DAVENPORT, CHRISTOPHER GEORGE APPRAISAL ERROR CORRECTION | 0084301 2014-0013841 | 180.33 |
| DE LAGE LANDEN OPERATIONAL SER APPRAISAL ERROR CORRECTION | 0042688 2014-0014455 | 18.93 |
| DOVE, ELLA J PERRY FORECLOSURE-LIEN EXTINGUISHED | 1955450 2014-0015735 | 20.71 |
| EARLS, SHAWN L NOT IN BUSINESS 1/1/2011 | 0090687 2011-0091953 | 339.82 |
| EARLS, SHAWN L NOT IN BUSINESS 1/1/2012 | 0090687 2012-0090638 | 313.80 |
| EARLS, SHAWN L NOT IN BUSINESS 1/1/2013 | 0090687 2013-0094730 | 288.21 |

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|---|----------------------|--------|
| EVANS, NETTIE HRS FORECLOSURE-LIEN EXTINGUISHED | 2216500 2014-0017799 | 74.59 |
| FILLINGAME, MATTHEW ALLEN DID NOT OWN MOTOR 1/1/2014 | 0091688 2014-0018520 | 5.56 |
| FIRE DEPT-NUMBER 7 TOWNSHIP FI DWELLING VACANT SINCE 2011 | 0094138 2014-0018608 | 36.00 |
| FORTUNATO, STEPHEN WILLIAM NOT TAXABLE TO CRAVEN COUNTY | 0102246 2014-0019418 | 123.55 |
| GAXIOLA, MARIBEL GALAVIZ DID NOT OWN 1/1/2012 | 0085093 2012-0021303 | 72.92 |
| GAXIOLA, MARIBEL GALAVIZ DID NOT OWN 1/1/2013 | 0085093 2013-0091950 | 66.69 |
| GEER, KEVIN C VALUE ERROR CORRECTION | 0060275 2014-0021283 | 9.30 |
| GILLIKIN, CURTIS & EVA A DID NOT OWN 1/1/2013 | 2793625 2013-0091985 | 12.96 |
| GORHAM, THOMAS H HEIRS FORECLOSURE-LIEN EXTINGUISHED | 2848651 2014-0022365 | 363.39 |
| HARDY, ALTON DEAN DID NOT OWN 1/1/2014 | 0077452 2013-0092063 | 18.50 |
| HARRELL, CHARLES C SR HRS FORECLOSURE-LIEN EXTINGUISHED | 0094973 2014-0024708 | 205.88 |
| HAWKS, TIMOTHY RAY CORRECTED APPRAISAL ERROR ON CAMPER | 3263956 2014-0025572 | 27.07 |
| HINES, JUDY DOUBLE BILLED-SAME ACCT | 0059644 2014-0026826 | 250.35 |
| HUDSON, CHRISTOPHER J & NELL R APPRAISAL ERROR- TO BE REBILLED | 0086626 2014-0027896 | 567.48 |

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|--|----------------------|----------|
| HUDSON, CHRISTOPHER J & NELL R APPRAISAL ERROR - TO BE REBILLED | 0086626 2014-0027895 | 1,842.59 |
| HUDSON, JOSEPH M JR & MARY H DID NOT OWN 1/1/2014 | 0000875 2014-0027916 | 6.25 |
| IPOCK, BRYAN M JR DWELLING UNOCCUPIED SINCE 9/26/2012 | 0030789 2014-0028501 | 36.00 |
| IPOCK, BRYAN M JR DWELLING UNOCCUPIED SINCE MAR 2013 | 0030789 2014-0028502 | 36.00 |
| JANKOWSKI, ROBERT & MONA BOAT NOT TAXABLE TO CRAVEN COUNTY | 0090182 2014-0029134 | 786.96 |
| JOHNSON, ROY A & TINA A DID NOT OWN 1/1/2014 | 3867711 2014-0029887 | 45.18 |
| JONES, LINDA SMITH DWELLING UNOCCUPIED-DAMAGED | 0040443 2014-0030337 | 36.00 |
| JONES, SHIRLEY TEMPLE DWELLING DID NOT EXIST 1/1/2014 | 4015795 2014-0030518 | 488.00 |
| KNOWLES, JEREMY D MILITARY EXEMPTION | 0100896 2014-0032050 | 91.80 |
| KORNEGAY, GLADYS DOUBLE BILLED SEE ACCT 40262 | 0058961 2014-0032235 | 332.65 |
| LAURIE, JOSEPH JOHN DID NOT OWN BOAT 1/1/14 | 0091979 2014-0033062 | 32.02 |
| LAURIE, JOSEPH JOHN DID NOT OWN 1/1/2013 | 0091979 2013-0090733 | 31.60 |
| LAURIE, MITCHELL CURTIS DID NOT OWN 1/1/2014 | 0091980 2014-0033063 | 16.08 |
| LAURIE, MITCHELL CURTIS DID NOT OWN 1/1/2013 | 0091980 2013-0092646 | 18.31 |

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|---|----------------------|--------|
| LEWIS, KENNETH LAIRD & JUDITH VETERAN EXCLUSION ERROR CORRECTION | 4400550 2014-0033759 | 325.46 |
| LIBERTY PROPANE OPERATIONS LLC NOT IN BUSINESS 1/1/2014 | 0088876 2014-0033899 | 115.38 |
| LILLY, RITCHIE M RECYCLE FEE CHARGED IN ERROR | 0096601 2014-0034071 | 36.00 |
| LIVINGSTON, MARCIA LYNN VALUE CORRECTION | 0093159 2014-0034329 | 30.59 |
| MARTIN, DANIEL J DWELLING DID NOT EXIST 1/1/2014 | 4645645 2014-0036098 | 36.00 |
| MCCARTER, JOHNNIE B & LIZZIE FORECLOSURE-LIEN EXTINGUISHED | 4729500 2007-0036156 | 63.51 |
| MCCARTER, JOHNNIE B & LIZZIE FORECLOSURE-LIEN EXTINGUISHED | 4729500 2008-0036836 | 60.25 |
| MCCARTER, JOHNNIE B & LIZZIE FORECLOSURE-LIEN EXTINGUISHED | 4729500 2009-0036941 | 57.01 |
| MCCARTER, JOHNNIE B & LIZZIE FORECLOSURE-LIEN EXTINGUISHED | 4729500 2010-0033688 | 58.26 |
| MCCARTER, JOHNNIE B & LIZZIE FORECLOSURE-LIEN EXTINGUISHED | 4729500 2011-0037496 | 59.81 |
| MCCARTER, JOHNNIE B & LIZZIE FORECLOSURE-LIEN EXTINGUISHED | 4729500 2012-0037364 | 55.77 |
| MCCARTER, JOHNNIE B & LIZZIE FORECLOSURE-LIEN EXTINGUISHED | 4729500 2013-0035998 | 46.25 |
| MCCARTER, JOHNNIE B & LIZZIE FORECLOSURE-LIEN EXTINGUISHED | 4729500 2014-0036761 | 38.70 |
| MCCORD, TERESA COGDELL DWELLING RAZED BY CITY IN 2013 | 0014390 2014-0036901 | 122.34 |

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|---|----------------------|--------|
| MILKIN, FRED & LEORA FORECLOSURE-LIEN EXTINGUISHED | 4941050 2014-0038516 | 70.52 |
| MOORE, ROY LEE & JUDY L INCORRECT SITUS - TO RE-BILL | 5121900 2014-0039832 | 180.44 |
| MORRIS, TRICIA & ELLIS, JOSEPH FORECLOSURE-LIEN EXTINGUISHED | 0090265 2014-0040381 | 35.72 |
| MURDOCH ENTERPRISES INC NOT IN BUSINESS 1/1/2014 | 0033495 2014-0040681 | 40.77 |
| PAYNE, JAY N & MARGARET B DID NOT OWN 1/1/2014 | 0071110 2014-0043949 | 15.90 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044852 | 2.18 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044854 | 10.07 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044856 | 29.49 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044865 | 1.43 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044857 | 14.28 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044858 | 64.25 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044859 | 706.88 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044860 | 11.15 |
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044861 | 32.80 |

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|--|----------------------|----------|
| PITNEY BOWES GLOBAL FINANCIAL APPRAISAL ERROR CORRECTION | 0071726 2014-0044863 | 433.18 |
| PLECINSKI, JILL APPRAISAL ERROR CORRECTION | 0095066 2014-0044943 | 570.38 |
| ROUNTREE, RICHARD ANDREW LATE LISTING ERROR CORRECTION | 0100901 2014-0048562 | 43.79 |
| SANDERSON, TRAVIS W DID NOT OWN 1/1/2014 | 6351500 2014-0049415 | 56.54 |
| SAWYER, DAVID E & RUBY DWELLING DID NOT EXIST 1/1/14 | 0017907 2014-0049617 | 36.00 |
| SERRANO-ORTIZ, HORTENCIA DWELLING DID NOT EXIST 1/1/2014 | 0084360 2014-0050482 | 36.00 |
| SHAMP, RICHARD EDWARD BILLED IN INCORRECT SITUS/REBILL | 0102142 2014-0050568 | 3,145.98 |
| SIMMONS, THELMA C & JAMES OTE FORECLOSURE-LIEN EXTINGUISHED | 0058013 2014-0051164 | 36.43 |
| SONOCO PRODUCTS COMPANY LATE LISTING CORRECTION-NOT LATE | 0065816 2014-0052368 | 115.81 |
| SPENCE, AMY & IRA BRYAN SITUS ERROR CORRECTION-TO REBILL | 0063588 2014-0052590 | 21.80 |
| STARK, ERNEST B DWELLING VACANT SINCE 2008 | 0011312 2014-0053018 | 36.00 |
| SWIGGETT, MAURICE DALE DID NOT OWN 1/1/2011 | 0068027 2011-0055524 | 220.18 |
| SWIGGETT, MAURICE DALE DID NOT OWN 1/1/2012 | 0068027 2012-0055521 | 193.94 |
| SWIGGETT, MAURICE DALE DID NOT OWN 1/1/2013 | 0068027 2013-0093552 | 169.92 |

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|--|----------------------|-----------|
| TURNAGE, ELVERT LEE DWELLING RAZED IN 2013 | 7360200 2014-0057007 | 212.03 |
| USA, DUANE & DOROTHY E APPRAISAL ERROR CORRECTION | 0027831 2014-0057551 | 463.82 |
| WARD, BOBBIE VALUE ADJUSTMENT DUE TO CONDITION | 7527050 2014-0058700 | 125.64 |
| WAYNE, TONY RAY APPRAISAL ERROR CORRECTION | 7618150 2014-0059209 | 87.02 |
| WELLS, MICHAEL R DID NOT OWN 1/1/14 | 0041386 2014-0059519 | 93.70 |
| WHITE, STEVEN HUMPHRIES NOT TAXABLE TO CRAVEN COUNTY | 0094565 2014-0060635 | 530.67 |
| WHITLEY, MICHAEL H DWELLING DID NOT EXIST 1/1/2014 | 7893570 2014-0061110 | 35.44 |
| WIEDERKEHR, EUGENE ALBERT BOTH VEHICLES HAVE LICENSE PLATES | 0099768 2014-0061195 | 278.70 |
| YAMAHA MOTOR CORPORATION USA APPRAISAL ERROR CORRECTION | 0081038 2014-0063266 | 530.11 |
| | 121 -CREDIT MEMO(S) | 22,798.60 |

REFUNDS SUBJECT TO BOARD APPROVAL ON 09/15/2014

| TAXPAYER NAME | ACCT#/TICKET# | AMOUNT |
|--|----------------------|----------|
| BRAXTON, JESSE F DOUBLE BILLED SEE ACCT 92158 | 0781700 2013-0006199 | 664.58 |
| MOORE, ROY LEE & JUDY L BILLED IN INCORRECT SITUS | 5121900 2009-0040009 | 6.66 |
| MOORE, ROY LEE & JUDY L BILLED IN INCORRECT SITUS | 5121900 2010-0036444 | 7.94 |
| MOORE, ROY LEE & JUDY L BILLED IN INCORRECT SITUS | 5121900 2011-0040637 | 9.05 |
| MOORE, ROY LEE & JUDY L BILLED IN INCORRECT SITUS | 5121900 2012-0040540 | 8.61 |
| MOORE, ROY LEE & JUDY L BILLED IN INCORRECT SITUS | 5121900 2013-0039014 | 8.76 |
| USA, DUANE & DOROTHY E CLERICAL ERROR CORRECTION | 0027831 2011-0058698 | 468.62 |
| USA, DUANE & DOROTHY E CLERICAL ERROR CORRECTION | 0027831 2012-0058648 | 466.09 |
| USA, DUANE & DOROTHY E CLERICAL ERROR CORRECTION | 0027831 2013-0056219 | 463.82 |
| 9 | -REFUND(S) | 2,104.13 |

Early Childhood Playgrounds

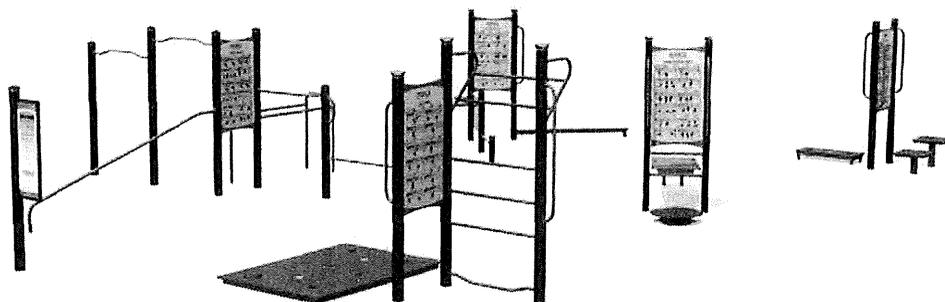
Home Products

School-Age Playgrounds

ENERGI[®] Prime Complete 5-Station System

Add to Wishlist

Fitness & Wellness



R-500-SM

\$15,832

Ages 13+

2' 0" x 36' 0"

8m x 10,97m)

Share

tion

tentative

The complete ENERGI Prime fitness system, featuring all 5 stations with 120 exercises and a welcome sign. Complete with a free programming guide that includes lesson plans for middle and high schools. Also available in an in-ground mount version.

Want to learn more about our ENERGI Product Line?

[Product Details](#) [Technical Documents](#) [Lesson Plans](#)

Color: Available in any Playworld System's color(s)

Weight: 1324 lbs (601 kg)

Fall Height: 0' 0" (0m)

Size: 38' 10" x 30' 0" x 7' 8" (11,84m x 9,14m x 2,34m)

Capacity: 20

Install Hours: 13

Certifications:

Prices shown in U.S. Dollars. Prices do not include freight, custom fees, surfacing or installation. Please contact your authorized Playworld Systems Representative for pricing.

Playworld Systems

Careers

CSR

Maintenance Support

Privacy Policy

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Press

Press Room

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Products

Early Childhood

School-Age

Fitness & Wellness

Site Furnishings

Contact us

Playworld Systems, Inc.

1000 Buffalo Road

Landburg, PA 17832-0705 USA

P: +1 610 233 8404

F: +1 610 522 9806

Join our email list!

Get information on new products, upcoming events and more.

Enter your E-Mail Address

Connect with Us

NORTH CAROLINA COMMUNITY FOUNDATION, INC.

4801 SIX FORKS ROAD, SUITE 524
RALEIGH, NC 27609

FIRST CITIZENS BANK

NO.

42171

66-30/531

DATE 07/01/2014

AMOUNT \$*****3,000.00

AY Three Thousand and no/100 *

3 Craven County Recreation & Parks Dept.
IE ATTN: Mr. Billy Wilkes
VER 406 Craven Street
F New Bern, NC 28560



[Handwritten Signature]

From Richard Chapman Cleve Fund

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈042171⑈ ⑆053100300⑆000861240524⑈

ORTH CAROLINA COMMUNITY FOUNDATION, INC.

42171

2138 Craven County Recreation & Parks Dept.

07/01/2014 042171

141116 07/03/2014 for the Outdoor Fitness Equipment System for Creekside 3,000.00
001193 Richard Chapman Cleve Fund 3,000.00

CHECK TOTAL: \$*****3,000.00

ORTH CAROLINA COMMUNITY FOUNDATION, INC.

42171

2138 Craven County Recreation & Parks Dept.

07/01/2014 042171

141116 07/03/2014 for the Outdoor Fitness Equipment System for Creekside 3,000.00
001193 Richard Chapman Cleve Fund 3,000.00

CHECK TOTAL: \$*****3,000.00



Craven County
Craven Area Rural Transit System
PUBLIC TRANSPORTATION

P.O. Box 13605 - 2822 Neuse Blvd.
New Bern, North Carolina 28561
Phone: 252-636-4917 - Fax: 252-636-4919
1-800-735-2962 TDD/TTY
Email: carts@cravencounty.com



September 3, 2014

To: Craven County Board of Commissioners
Jack Veit, Craven County Manager
Gene Hodges, Assistant County Manager

From: Rosann Christian, CARTS Director

Ref: Request to set FY 2015 ROAP (Rural Operating Assistance Program) Grant Public Hearing

As part of the process to apply for FY 2015 ROAP grant funding, Craven County/CARTS is requesting to set a Public Hearing on Monday, October 6, 2014 at the Craven County Commissioner meeting. A Public Hearing Notice will be advertised to the general public.

FY 2015 ROAP grant funding is used to provide transportation through CARTS for the residents of Craven County. This grant includes funding for: EDTAP (Elderly Disabled Transportation Program), EMPL (Employment), and RGP (Rural General Public) transportation services.

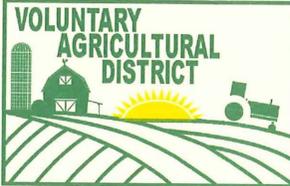
Thank you for your assistance with this grant package.



Craven County does NOT warrant the information shown on this map and should be used ONLY for tax assessment purposes.

1 inch equals 100 feet





Craven County Agricultural Advisory Board
302 Industrial Drive
New Bern, North Carolina 28562
Phone: 252-637-3567 Ext 3
Fax: 252-514-2009

September 5, 2014

To: Craven County Board of Commissioners

We respectfully request approval of two actions for the Craven County Agricultural Advisory Board as follow:

- 1) The appointment term for Mr. Johnny Prichard has expired. Mr. Prichard has chosen not to participate on this board. Please change the appointment of Mr. Carl Tuner's District 6 to District 5 to fill the vacancy presented by dismissal of Mr. Johnny Prichard. Since his appointment, Mr. Carl Turner has moved and now resides within District 5.

- 2) Mr. Larry Paul has expressed a desire to serve on this board. Mr. Paul has served on other boards within Craven County, has an interest to address agricultural and the environment issues as well as an educational background that will afford him to serve the functions of this board. Additional information is found within his completed Craven County Volunteer Board Application. Mr. Paul resides within District 6. Please confirm Mr. Paul to represent District 6.

Thank you in advance for your considerations. If you have any questions or comments, please contact me at (252) 514-1942 or email me at: gwwhitford@earthlink.net.

Sincerely

Wyatt Whitford
Chair, Craven County Agricultural Advisory Board

Cc: Jack Veit, III, Craven County Manager

Volunteer Board Information and Interest Sheet Craven County, North Carolina

Names of board, committee, authority, etc., in which you are interested. Please list in order of priority:

Voluntary Agriculture District Board

Name: Larry Paul Home Phone: 252-447-8596
Home Address: P.O. Box 1062
801 Greenfield Heights
City: Havelock Zip Code: 28532
Township: 6 City Limits: Yes No
Occupation: Veterinarian Business Phone: _____
Place of Employment: Havelock Animal Clinic Fax Number: _____
E-Mail Address: inthewoods@cc-rr.com

(Please indicate your preferred contact number.)

Education

NCSU, Auburn - See resume

Business and Civic Experience

See resume

Areas of Expertise, Interest, Skills

See resume - own farm

Why do you want to serve?

Was Asked To

Please List Other Local, Regional and Statewide Boards, Committees or Commissions on Which You Serve

None at this time

(A resume may be attached to this form, but will not be accepted in lieu of the form.)

Date: 9/12/2013

Larry S. Paul, Jr.
Signature

The Craven County Board of Commissioners sincerely appreciates the interest of all citizens in serving their county. For more information on the responsibilities of various boards, you may view the on-line board descriptions or contact the County Clerk's Office at (252) 636-6601. RETURN FORM TO: CRAVEN COUNTY CLERK, 406 CRAVEN STREET, NEW BERN, NC 28560. The form may also be sent via e-mail (gbryan@cravencountync.gov) or fax: (252) 637-0526.

This form will remain active until two years after date received.

Resume of Larry Smallwood Paul, Jr.

Education:

1960-1967 Beaufort Elementary School, Beaufort, N.C.

1967-1972 East Carteret High School, Beaufort, N.C.

Honor Student, Football, Track, Band, School Paper, Math Award, Physics Award, and Outstanding Senior Scholarship Award

1972-1976 North Carolina State University, Raleigh, N.C.

Graduated Bachelor of Science Degree with **High Honors**, Selected to Phi Kappa Phi Honor Society in 1976, Selected to Phi Eta Sigma Honor Society in 1973, and was a member of Delta Sigma Phi Fraternity

1976-1980 Auburn University School of Veterinary Medicine, Auburn, Alabama.

Graduated Doctor of Veterinary Medicine with **Honors** in May 1980. Selected to Phi Zeta Honor Society in 1979 and was a member of Omega Tau Sigma Professional Fraternity

Business:

1982 to Present: Partner/owner of Havelock Animal Clinic and Havelock Animal Hospital, Inc., Havelock, N.C.

1993 to 2001: Partner/owner of Coastal Pet Clinic, Bayboro, N.C.

Professional Organizations:

Member: American Veterinary Medical Association, North Carolina Veterinary Medical Association, North Carolina Small Animal Academy

Civic Organizations:

1980 to 2000: Havelock-Cherry Point Rotary Club, President 1987-1988, served as Director, Treasurer, and Secretary. Became a Paul Harris Fellow in 1991

Other:

Havelock First United Methodist Church, member. Staff-Parish Relations Committee, 1999 to 2001, 2004-2005. Chairman 2000 and 2001, 2005.

Craven County Farm Bureau, Director 1990-1993.

Neuse River Foundation, President during 1991-1992, director from September 1990 to October 1993.

During term as president supervised application to Z. Smith Reynolds Foundation to obtain funding for the Neuse River Riverkeeper. The Riverkeeper started operating in April of 1993. Membership grew from 100 in 1990 (when it almost closed because of lack of membership and funding) to 3,000 after 1993 when the Riverkeeper was hired to be a spokesman for the organization.

Craven County Board of Health Director, 1990 to 1999, 2008-2010

Craven Soil and Water Conservation District Supervisor elected November 1992 to 1996.

Township Six Volunteer Fire Department, Fire Tax Commissioner, Appointed March 2005 to January 2013.

Camp Boys Hunting Club, Havelock, N.C., 1991 to 1998. Secretary in 1991-1992 during which time Weyerhaeuser Stewardship Award was won.

Adams Creek Hunting Club, Havelock, N.C., 1974 to 2011. Secretary/Treasurer 2000-2004 and 2011-2012.